

BOARD OF SUPERVISORS WORK SESSION

GOVERNMENT CENTER BOARD ROOM

NOV. 27, 2012 - 4 P.M.

A. Call to Order

B. Roll Call

C. Board Discussions

1. Legislative Agenda
2. Fiscal Trends
3. Employee Compensation (Summary) (Memorandum) (Attachment 1 - Compensation Options)
4. Closed Session
 - a. Consideration of the purchase of parcel(s) of property for public use and the disposition of public property pursuant to Section 2.2-3711(A)(3) of the Code of Virginia
 - b. Consideration of a personnel matter(s), the appointment of individuals to County boards and/or commissions pursuant to Section 2.2-3711 (A)(1) of the Code of Virginia

D. Adjournment

**JAMES CITY COUNTY
DRAFT 2013 LEGISLATIVE PROGRAM**

Part I. Legislation to be Introduced on Behalf of the County

1-1. PROTECT VIEWSHEDS OF HISTORIC AND SCENIC RIVERS

Amend Virginia Code § 10.1-419 (B) to provide that putting utility lines underwater is a reasonable alternative solution to be considered in planning for the use and development of water and related land resources which changes the character of a stream or waterway or destroys its historic, scenic or ecological values.

**JAMES CITY COUNTY
DRAFT 2013 LEGISLATIVE PROGRAM**

Part II. Position/Legislation Supported by the County

2-1. STATE FUNDING FOR TOURISM

The County urges the General Assembly to increase funding for the Virginia Tourism Corporation (“VTC”) to promote tourism in Virginia generally, and the Historic Triangle in particular.

2-2. TRANSPORTATION FUNDING

James City County urges the General Assembly to address critical transportation infrastructure needs. Transportation should be addressed as a statewide issue rather than a regional or local issue.

2-3 SUPPORT URBAN CRESCENT’S EFFORTS TO MAKE TRANSPORTATION FUNDING A PRIORITY

James City County supports the “Statement of Purpose” proposed by the localities of the Urban Crescent (Northern Virginia, Richmond area and Hampton Road) which asserts the need for further state investment in transportation infrastructure spending for all transportation modes.

2-4. MAINTENANCE OF NEW AND EXISTING SECONDARY ROADS

James City County opposes any legislation that would transfer to counties the responsibilities to construct, maintain or operate new or existing roads without adequate state funding.

2-5. APPLICATION OF TRANSIENT OCCUPANCY TAX TO TRAVEL COMPANIES AND INTERNET SALES

James City County supports a clarification of Virginia Code § 58.1-3819 et seq., to make sure that the transient occupancy tax applies to the entire amount charged for rooms by travel companies and on Internet sales regardless of any discounted rates paid by such companies for such rooms. This would provide equal taxing of room sales by Virginia businesses and Internet sales companies.

2-6. ENHANCE RAIL SERVICE ON THE PENINSULA AND TO RICHMOND

The County supports improving commuter rail system from Richmond through the Peninsula to connect urban centers for commuters and provide transportation alternatives for tourism.

2-7. BEHAVIORAL HEALTH AND COMPREHENSIVE SERVICES ACT (“CSA”) FUNDING

James City County urges the General Assembly to: 1) adequately fund the Medicaid waiver program to reduce the waiting list of individuals and families now eligible for services; 2) provide services to children with serious emotional disorders; and 3) to cover reasonable administrative costs for CSA programs. Adequate funding and services will help prevent the mentally ill from being released early from treatment, living on the streets, going to jail, or being inappropriately placed in residential facilities or other government programs.

2-8. SUBSTANCE ABUSE AND MENTAL HEALTH TREATMENT

James City County supports maintaining State funding for mental health and substance abuse treatment in jails and juvenile detention facilities given the overwhelming percentage of adults and juveniles in the system diagnosed with mental health and/or substance abuse conditions.

2-9. TAX EQUITY BETWEEN CITIES AND COUNTIES

James City County supports equal taxing authority for cities and counties.

2-10. STATE FUNDING FOR PUBLIC EDUCATION, PRE-K, K-12 AND HIGHER EDUCATION

The County supports restoring the funding cuts made to pre-K and K-12 funding. In addition, the County supports restoring the funding cuts made to higher education which could cripple some of the most prestigious higher education institutions in the world, including the College of William & Mary.

2-11. ADEQUATE FUNDING FOR PUBLIC LIBRARIES

James City County supports the State maintaining funding to public libraries to make sure that the State and the localities maintain their proportionate share of funding.

2-12. END LOCAL AID TO THE COMMONWEALTH

The County supports legislation that would end “local aid to the Commonwealth.”

2-13. NO NEW STATE MANDATES AND ELIMINATE OR ADEQUATELY FUND EXISTING STATE MANDATES

Given the difficult budget year faced by the Commonwealth and localities, James City County calls upon the General Assembly to oppose unfunded mandates and to reduce existing State mandates commensurate with any reduction in State funding to localities. This is consistent with Governor McDonald’s initiative to reduce imposing unfunded mandates on localities.

2-14. PROVIDE STATE FUNDING TO MITIGATE ENCROACHMENT OF AIRFIELD SURROUNDING JOINT BASE LANGLEY-FORT EUSTIS

James City County supports the initiative to provide state funding for the land acquisition program supporting mitigation of encroachment around Langley Air Force Base (now Joint Base Langley-Fort Eustis).

2-15. LEGISLATIVE PROGRAMS OF THE VIRGINIA MUNICIPAL LEAGUE, THE VIRGINIA ASSOCIATION OF COUNTIES AND THE VIRGINIA COALITION OF HIGH GROWTH COMMUNITIES

James City County supports the legislative programs of the Virginia Municipal League, the Virginia Association of Counties and the Virginia Coalition of High Growth Communities.

Financial Update

November 27, 2012

FY 2012 Results

	FY12 General Fund Budget	FY12 Actual	Variance
Revenues	\$164.6	\$169.1	\$4.5
Spending & Commitments	\$164.6	\$164.2	\$.4

FY 2012 Results

■ Fund Balance Allocations

– CIP	\$3,000,000
– Capital Reserve	\$750,000
– Health Insurance	\$200,000
– Fiscal Liquidity	\$200,000
– Undesignated	\$750,000

FY 2012 Results

■ Revenues exceeding budget highlights

– Real Estate	\$600,000
– Personal Property	\$400,000
– Local Sales Tax	\$900,000
– Meals Tax	\$500,000
– BPOL	\$1.1 million
– Lodging Tax	\$200,000

FY 2013

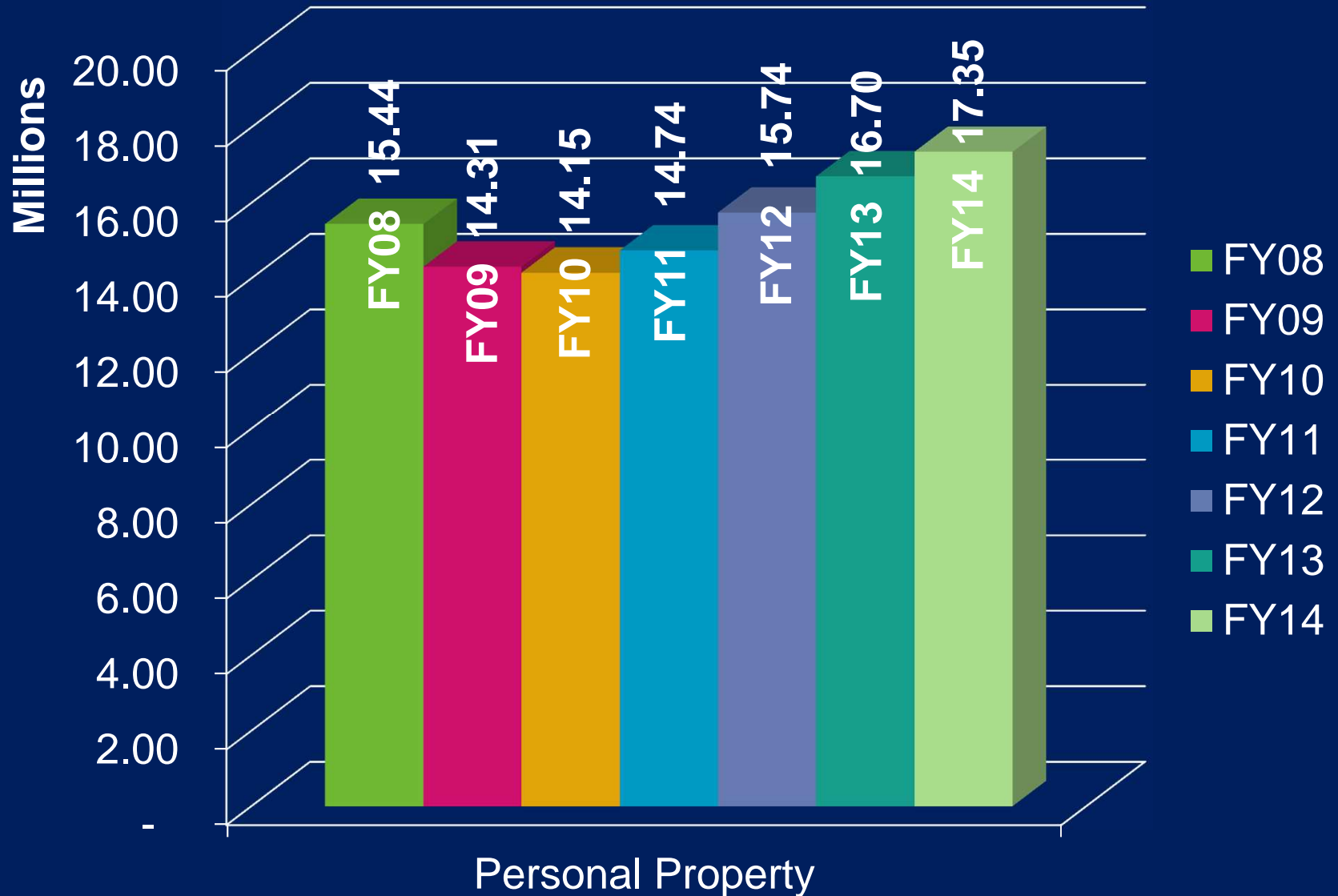
- Revenues expected over budget:
 - Sales
 - Meals
 - BPOL

FY13 General Fund Budget	FY13 General Fund Budget Estimate	Variance
\$165.6M	\$167.8M	\$2.2M

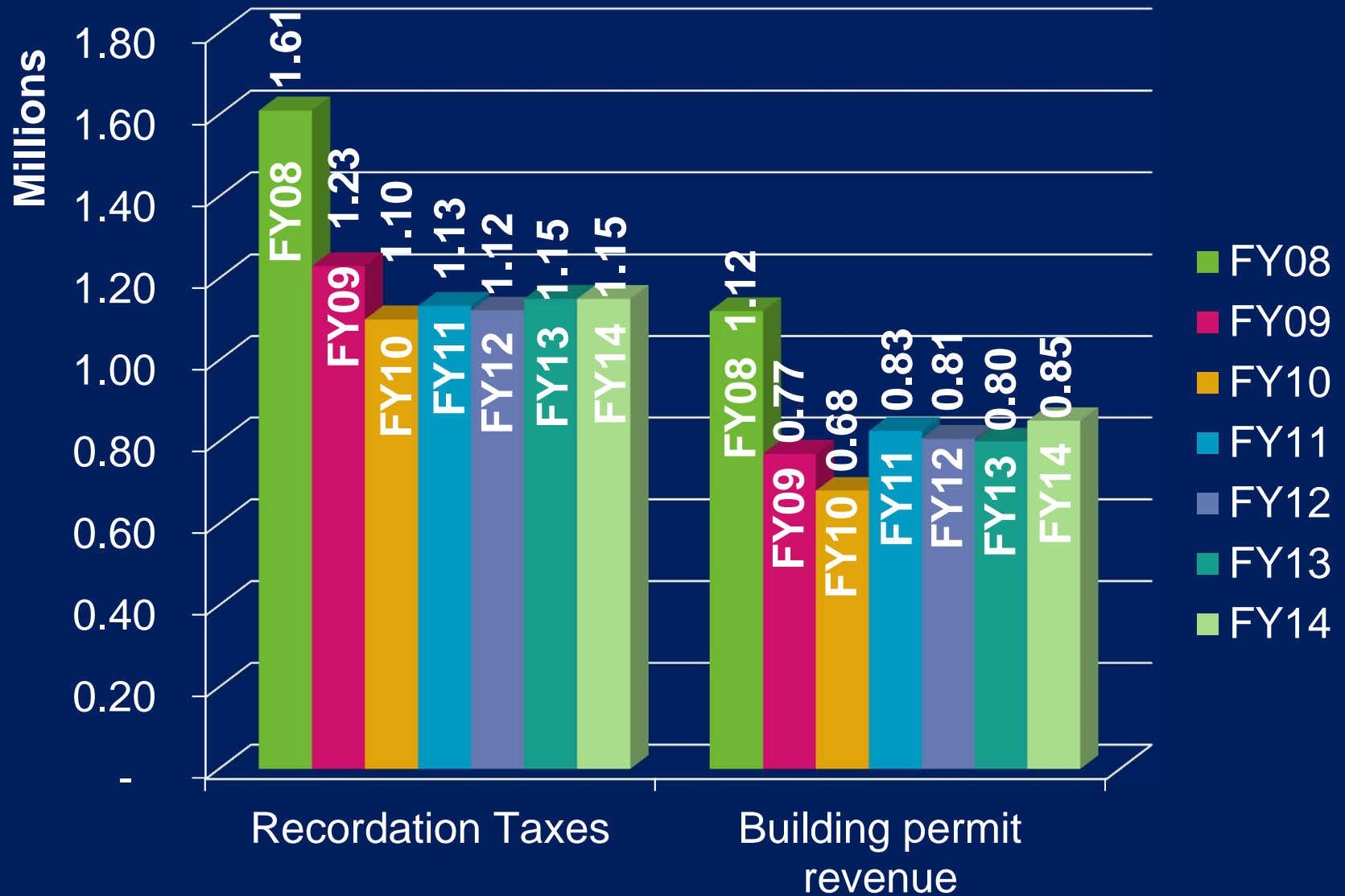
Property Taxes



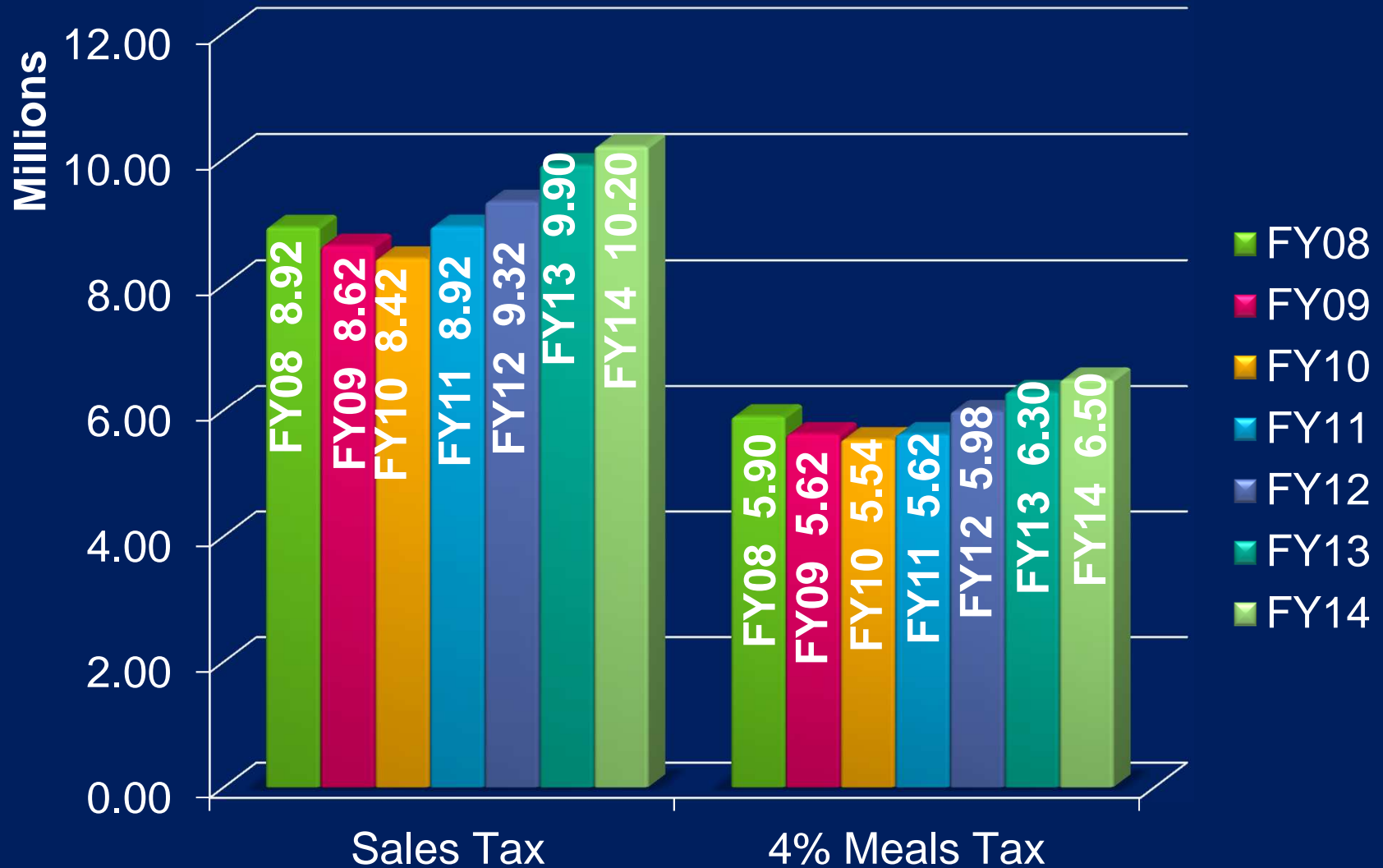
Property Taxes



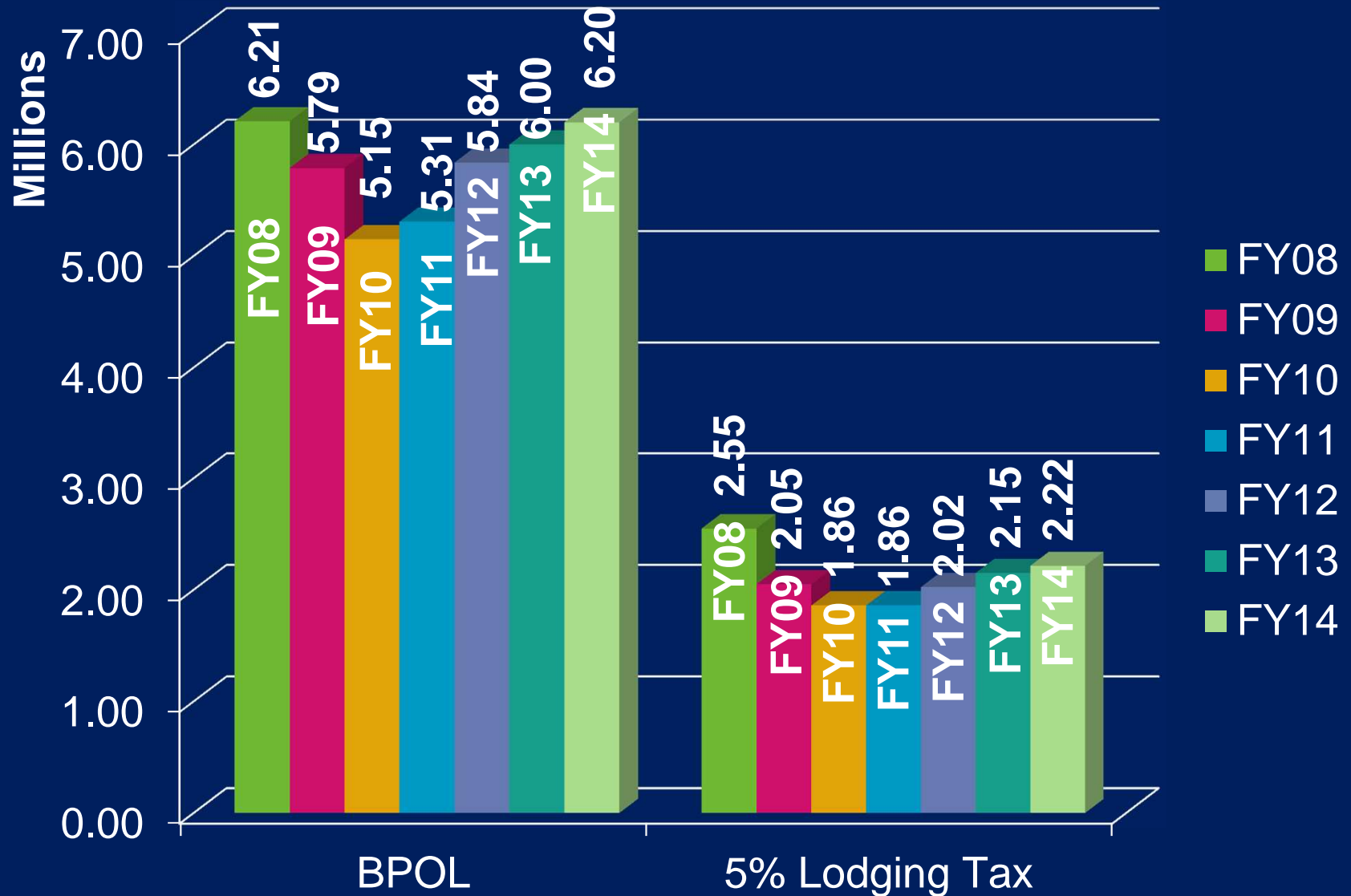
Building Related Revenues



Consumer Driven Revenues



Consumer Driven Revenues



JCC General Fund Revenues

FY13 Budget	\$165.6M
Property Taxes	\$1.9M
Other Local Taxes	\$1.9M
Licenses, Permits and Fees	\$.8M
Other Revenues	\$.5M
FY14 Budget	\$170.7M

- Approximately \$2.8M above approved plan

JCC General Fund Revenues

Current Revenue Estimates

	FY13	FY14
General Property Taxes	\$108.5	\$110.1
Other Local Taxes	\$20.4	\$20.9
Licenses, Permits and Fees	\$7.8	\$8.1
Revenue from the Commonwealth	\$25.5	\$25.9
Other	\$5.6	\$5.7
Total	\$167.8	\$170.7

FY2014 Spending Issues

- Compensation/ Benefits
 - County and Schools
- State/Federal Budget Impacts

Questions?

MEMORANDUM COVER

Subject: Compensation Plan

Action Requested: Shall the Board provide guidance on compensation initiatives for FY 13-15?

Summary: The attached materials provide background information and options for compensation initiatives for FY 13-15.


Fiscal Impact: N/A

FMS Approval, if Applicable: Yes ☐ No ☐

Assistant County Administrator

Doug Powell _____

County Administrator

Robert C. Middaugh 

Attachment:

1. Memorandum
2. Compensation Options

WORK SESSION

Date: November 27, 2012

MEMORANDUM

DATE: November 27, 2012
TO: The Board of Supervisors
FROM: Robert C. Middaugh, County Administrator
SUBJECT: Compensation Plan

Attached are materials for the work session on compensation:

- A copy of the memorandum emailed to you on November 5, 2012.
- An overview of my recommendations for FY 13-15, data comparing salary increases and bonuses in the region, information related to classification and compensation studies, and data on County salaries compared to salaries in the market and to the midpoint of the County's salary ranges.

In addition to the alternatives I outlined in my November 5 memorandum, I would offer one additional option. Declare December 31, 2012 as an additional County holiday for this year only. It falls on a Monday and would provide a four-day weekend for employees as January 1, 2013, is already a County holiday. Several other localities and the State have already announced that December 31, 2012, will be a holiday. The cost to establish December 31, 2012 as a holiday is approximately \$25,000, most of which is for public safety holiday pay.

For your consideration, there is a resolution included in your agenda packet for the November 27 regular meeting that lists the various compensation options. Staff seeks feedback and guidance from the Board during the work session and the resolution can be amended based on the Board's discussion during the work session.



Robert C. Middaugh

RCM/nb
CompenPlan_mem

MEMORANDUM

DATE: November 5, 2012

TO: The Board of Supervisors

FROM: Robert Middaugh

SUBJECT: Compensation Plan

Background

Earlier in the year, the Board had a brief conversation about providing a bonus for County employees if sufficient fiscal year-end resources were available. After addressing several items, such as our reserve for fiscal liquidity and health insurance, there is approximately \$1.5 million in undesignated general funds.

The following proposal outlines a multi-year approach to address a bonus, the planned FY 14 raise and a compensation study along with items for BOS feedback is desired.

For current year FY 2013:

- Set aside \$750,000 from the capital reserve fund as a carryover to assist in addressing budgetary issues next fiscal year
- Apply the remaining \$750,000 to fund both a bonus for employees as well as to pay the cost of the compensation study, which we also have discussed

Bonus

In the last fiscal year, the Board authorized an across the board one-time bonus of \$1,000 to full-time eligible employees and a \$500 bonus for part-time employees. The funds available would support the same program if desired by the Board. Likewise, any bonus up to that amount would be supportable. If the Board authorizes another bonus, I would suggest the same across the board approach so as to provide the most benefit to our lower paid employees.

A \$1,000 bonus would cost the general fund approximately \$600,000 and will come from under-spending of County budgets. This would include the CCC and Housing and Community Development staff, as their respective funds do not have sufficient resources to absorb the cost. The Library, JCSA, and Social Services would pay the expense for their employee bonuses out of their own funds at approximately \$200,000 total.

If the Board's consideration of a bonus in this fiscal year would in any way jeopardize the potential of a base salary increase for County employees next year, I would not support a bonus at this time. A permanent salary increase is a much higher priority for me.

In previous discussions, School salaries were discussed together with County employee salaries for potential adjustment. My recollection is that the Schools were discussed in the context of trying to provide both the County and School employees a permanent raise in this fiscal year, not a bonus. We have estimated the cost of providing both County and School employees a permanent raise of 2% in this fiscal year (this is the number that was raised in conversation) and we do not have the resources available in the current budget to be able to fund that amount. The Schools have identified a permanent raise of 2.5% as a priority for their FY 14 budget. Unlike the County's planned salary increase, which is included in the budget, this amount for the schools is not yet funded in the FY 14 budget. I would agree with the School Division that this is an important expenditure to address in FY 14 and will be one that we strive to include in our funding requests.

The School Division anticipates year-end savings of approximately \$1.2 million which, if they wish to and with the concurrence of the County and the City, can be used for an employee bonus. It is about \$.5 million short of matching the amount of the County's proposed bonus. This is not as high a priority to the Schools as the FY 14 permanent raise.

Compensation Study

In background work on the compensation study, our Human Resource Department has identified a number of communities that have recently completed studies. The County should anticipate a cost of approximately \$100,000 for a study covering the scope discussed with the Board.

In the timing for the compensation study, I would suggest that it commence in early 2013 with the expectation it will take approximately one year to complete. The results of the compensation study would be available to the Board for potential implementation in fiscal year 2015 and after. Typically after a prolonged period of time without compensation plan adjustments, compensation studies will identify a variety of market and internal salary inequities that I believe you will want to address over the next several years.

For FY 2014:

Implementation of the budgeted 3% raise is of critical importance to the County on July 1, 2013. From our perspective as an employer to our ability to continue to provide excellent services to our community, following through with this raise is important. As long as the State does not throw us any new curves, we should have sufficient growth in our revenues in FY 14 to support the County and the School compensation adjustments.

Summary

This memorandum is a preamble for the November 27 work session discussion on these matters. I will share our research on the topics for that meeting. We believe that there is clear evidence to support the various proposals.

Specifically I will be looking for Board guidance on the items below. Does the Board:

1. Support a bonus for the current FY 2013 and if so, in what amount?
2. Support a base pay increase in FY 2014 whether or not a bonus is awarded in FY 2013?
3. Support a compensation study beginning in FY 2013?
4. Support considering implementing the results of a compensation study in FY 2015 and after?

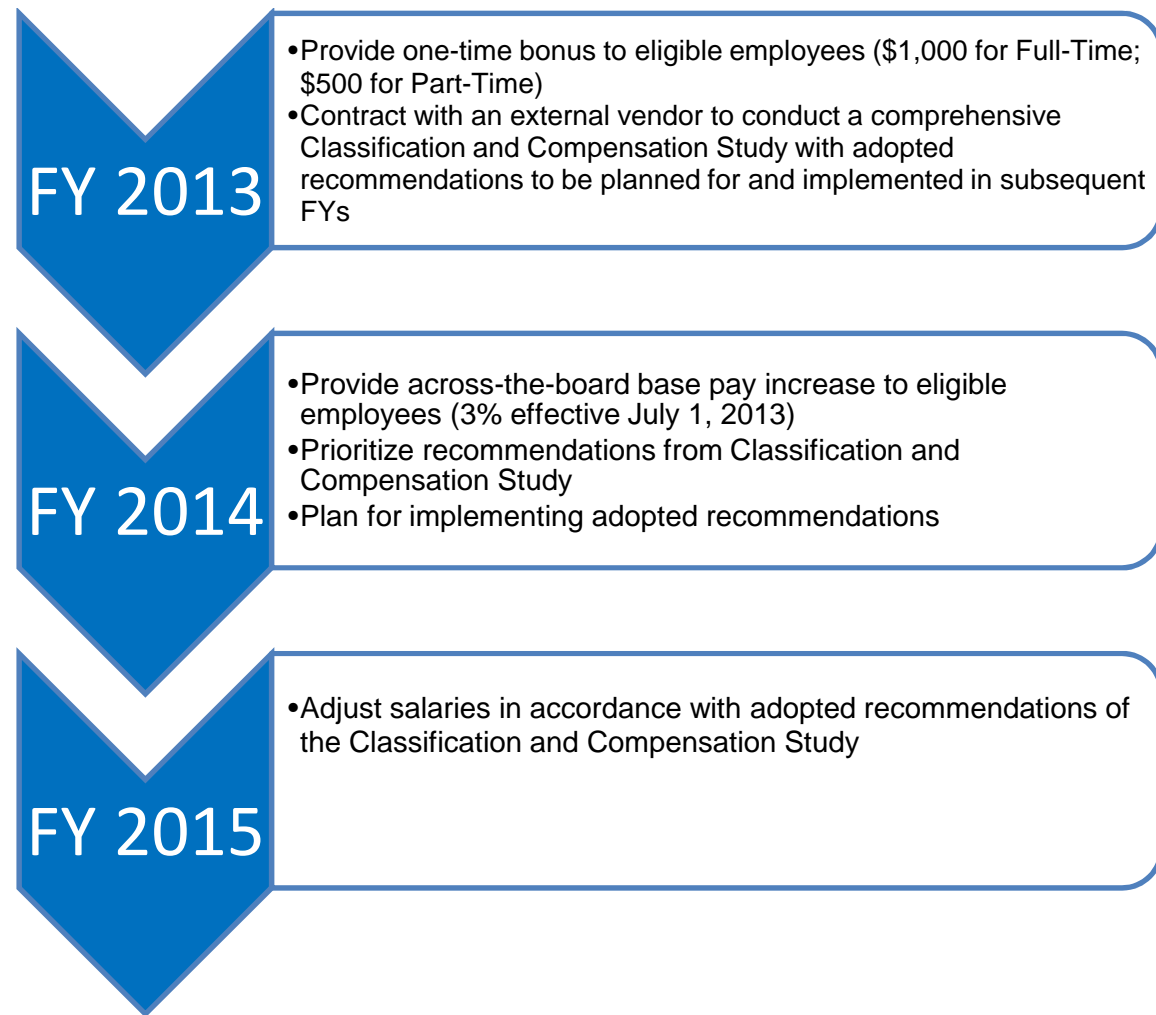
As you know, I have been getting around visiting all of our employees over the past few months. I am well along in that process and one of the things that I have learned is that employee compensation is without question the dominant concern they have. The July 1 permanent raise is a higher priority to the employees than a bonus. While a bonus would be both well received and deserved, if the bonus complicates the Board's implementation of the raise, I would support the permanent raise as our priority to achieve.

Please feel free to call me if you have any questions.

Compensation Options

Overview

To ensure that James City County has a sound and competitive plan that attracts, motivates and retains qualified employees, and to demonstrate that we are paying fairly and equitably in response to market influences both upward and downward, the following is an overview of employee compensation options:



Comparison – Salary Increase and Bonus Information

Based on data compiled and reported by the Hampton Roads Planning District Commission (HRPDC), James City County is among the few localities that have not given a base salary increase since FY 2010. The chart on page 2 includes salary increase and bonus information for 17 localities, SPSA, HRPDC, HRSD and Williamsburg-James City County Schools.

Compensation Options

Comparison Salary Increase and Bonus Information

Jurisdiction	FY 2010	FY 2011	FY 2012	FY 2013	TOTAL Base Pay Increase FY 10-13	TOTAL Bonus FY 10-13
Chesapeake	0%	1.50%	1.50%	0%	3.00%	\$0
Franklin	0%	1.50%	0%	0%	1.50%	\$0
Gloucester	0%	0%	0%	2.00%	2.00%	\$0
Hampton	0%	0%	Net 1 time perf pay; FT \$500 PT \$250	0%	0%	\$500
Isle of Wight	0%	0%	5.00%	0%	5.00%	\$0
James City	0%	0%	bonus; FT \$1,000 PT \$500	0%	0%	\$1,000
Newport News	0%	\$500 bonus	2.00%	1.50%	3.00%	\$500
Norfolk	0%	0%	\$500 bonus	2.00%	2.00%	\$500
Poquoson	0%	0%	\$1,000 to base + \$1,000 bonus	0%	\$1,000 to base	\$1,000
Portsmouth	0%	0%	2.00% bonus	3.00% bonus	0%	5%
Southampton	0%	0%	2.00%	0%	2.00%	\$0
Suffolk	2.00% bonus	2.00% bonus	0%	2.00%	2.00%	4%
Surry	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
Virginia Beach	0%	0%	2.50%	0%	2.50%	\$0
Williamsburg	0%	0%	2.00%	0%	2.00%	\$0
York County	0%	0%	\$600 bonus	0%	0%	\$600
SPSA	0%	0%	3.00%	2.00%	7.80%	\$0
HRPDC	0%	0%	2.30%	1.50%	5.60%	\$0
HRSD* *Not all employees are eligible for merit/step; depends on the employee's step.	Merit/Step 4.4%	Merit/Step 4.4%	COLA 2.3% Merit/Step 4.4%	3.00%	5.00% COLA + 16.2% Merit/Step	\$0
W-JCC Schools	0%	0%	1%	0%	1%	\$0

Compensation Options

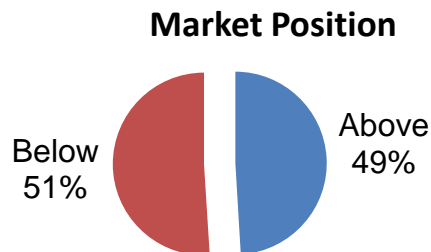
Comparison – Classification/Compensation Study

It is important to periodically review and update an organization's compensation plan. The last classification and compensation study done by James City County was completed in 1995. The last salary recalibration was 2005 and the last salary structure adjustment was 2008.

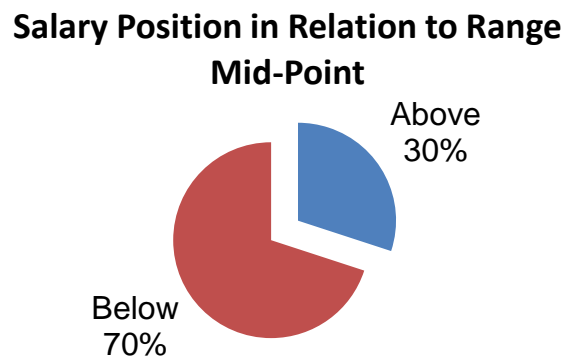
Many neighboring localities have recently done studies (2011-2012) including:

Who	Year	Cost
Gloucester County	2012 Awarded	\$30,000
Isle of Wight Schools Administrative	2012 Completed	\$50,000
Newport News	2011 Completed	\$95,640
Portsmouth	2012 Awarded	\$72,740
Suffolk	2012 Completed	\$63,000
W-JCC Schools	2011 Completed	\$53,500

The following chart compares the mid-point of our current salary ranges for 148 benchmarked jobs, which include 466 employees, with the actual average salaries of comparable jobs in the market. A study will ensure that we are comparing the right jobs to the right market and identify any jobs needing adjustment.



The following chart shows current salaries for 718 full-time employees in relation to the mid-point of their current salary ranges. A study will assess whether employees are in the right positions and ranges and recommend strategies for adjusting salaries as needed.



Based on the information provided above, I believe that a bonus, pay study and base pay increase are warranted with the July 1 raise as a higher priority to the employees than a bonus.