

CITY OF MOUNT HOLLY
MOUNT HOLLY CITY COUNCIL MEETING
MONDAY, August 28, 2023
COUNCIL CHAMBERS
6:30 PM

CALL TO ORDER

Mayor Hough called the meeting to order at 6:30 pm. The following were present:

Mayor Bryan Hough	Danny Jackson, Interim City Manager
Mayor Pro Tem Phyllis Harris	Brian DuPont, Assistant City Manager
Councilman Ivory Craig	Brian Reagan, Police Chief
Councilman Jeff Meadows	Ryan Baker, Fire Chief
Councilman David Moore	Greg Beal, Planning Director
Councilwoman Christina Pawlish	Tony Walker, Streets and Solid Waste Director
Councilwoman Lauren Shoemaker	Jonathan Wilson, Director of Utilities
Marie M. Anders, City Attorney	Mark Jusko, Recreation Supervisor
	Michelle Wood, Finance Director

INVOCATION

Councilman David Moore led the Council, staff and attendees in prayer.

SET THE AGENDA

Mayor Hough stated that the presentation from Better City would be removed from the agenda due to travel issues. With no other changes to the agenda, Mayor Hough entertained a motion to approve the agenda as presented. Councilman Ivory Craig made a motion to approve the agenda as presented. Councilman Jeff Meadows seconded the motion. All council members present voted in favor. (Motion Carried)

CONSENT AGENDA

1. Approval of an Exemption from General Statutes relating to the hiring of Architects, Engineers, and Surveyors under the requirements of the Mini-Brooks Act for the design of a roof system for City owned property located at 111 Mountain Island Road. The buildings are also known as The Water Treatment Plant and Water Intake Building
2. Approval of Dutchman's Creek Bridge Capital Project Ordinance
3. Approval of a Resolution Declaring Surplus Property
4. Approval of minutes from the August 14, 2023 Council Meeting
5. Approval of the minutes from the August 14, 2023 Closed Session

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Mayor Hough entertained a motion to approve the consent agenda as presented. Councilwoman Lauren Shoemaker made a motion to approve the consent agenda. Councilwoman Christina Pawlish seconded the motion. All council members present voted in favor. (Motion Carried)

PRESENTATIONS

1. Presentation of Salary Study

Becky Drozdz

Alexis Hill introduced Becky Drozdz to speak about the salary study. Ms. Drozdz thanked the Council for having her back to speak. Ms. Drozdz spoke to her credentials and the methodology used during the salary study. Ms. Drozdz stated that the study started with job descriptions and not titles. Ms. Drozdz stated that it was important to look at what we are asking the employee to do as well as their essential functions. Ms. Drozdz stated that the data came from several sources to include the North Carolina League Municipalities (NCLM), Catapult Wage and Salary Survey, Economic Research Institute (ERI) and Comp Analyst. Ms. Drozdz stated that all of these sources are employer validated information. Ms. Drozdz stated that they looked across the Charlotte metro area with the exception of the NCLM. Ms. Drozdz stated that she likes to look at the median or 50th percentile for statistical measures. Ms. Drozdz stated that she prefers this to any type of average. Ms. Drozdz stated that after the data was collected, a salary structure was created using various grades with ranges that include a range minimum, a range midpoint and a range maximum. Ms. Drozdz stated that the structure was created based on the midpoint to align with market. Ms. Drozdz stated that the grades were structured to have a 15% midpoint to midpoint spread. Ms. Drozdz stated that Fire and Police had an increased starting salary to account for recruiting. Ms. Drozdz stated that the midpoint represents those employees who are fully competent in the role whereas employees who are newer in the role with less experience would be at the lower end of the range. Ms. Drozdz stated that the higher end of the range represented the rock stars of the role and your high performers. Ms. Drozdz explained the method used for addressing concerns about compression. Ms. Drozdz stated that if an employee had been with the city for less than 15 years, they were given a 1% credit against the range minimum while employees who had been with the city more than 15 years were given 1.5% against the range minimum. Councilwoman Shoemaker questioned the verbiage on Ms. Drozdz's presentation slide that stated years in the job versus the verbal explanation of years of service. Ms. Drozdz confirmed that it was years in the job that was used not years of service. Councilwoman Shoemaker asked if an employee would lose their time on the job by getting promoted? Ms. Drozdz stated that the employee would start over in a new and higher pay grade. Mayor Hough asked who Ms. Drozdz is referring to when she says we? Ms. Drozdz stated that she consulted with the Human Resources Director Hannah Rayburn and the City Manager Miles Braswell. Councilwoman Shoemaker stated that earlier in the presentation Ms. Drozdz explained how employees were identified in the range by skill, performance and experience and then later stated that the range placement was by

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years in the job. Councilwoman Shoemaker asked Ms. Drozdz to clarify if it was a combination of the two. Ms. Drozdz stated that for this calculation it was strictly years on the job. Ms. Drozdz stated that ideally her recommendation would be to have performance data and then evaluate where an employee should be based on performance. Ms. Drozdz stated that in her conversations with Human Resources that she was told that performance data was not feasible at this time. Ms. Drozdz stated that performance should be what is determining placement, but for the purposes of this study and in conversation with Human Resources we used strictly time. Mayor Hough asked the speaker to clarify that her recommendation is to use performance data, but Human Resources indicated that would not be appropriate at this time. Ms. Drozdz stated her understanding is that there is not great data and to use performance based, we would need good data. Mayor Hough asked if the speaker was going to address previous time of service at other jobs and work experience and used the Fire Department and the Police Department as examples. Ms. Drozdz stated that previous service and job experience was not considered after the credit because the idea would be that the employee was already appropriately placed based on that experience. They did not look at previous work experience when calculating this data. Mayor Hough asked Ms. Drozdz in her experience was this a flawed way of doing this? Mayor Hough stated that the results are flawed and horrendous. Mayor Hough commented on the effects of compression on the Police Department. Councilman Meadows asked if achievements such as degrees or professional certifications were considered? Ms. Drozdz stated that there were conversations with Human Resources around whether or not those degrees or certifications were a need to have or a nice to have and ultimately was not included or considered further. Mayor Hough asked who was providing her with the information as to what was pertinent information for the police department for example? Ms. Drozdz stated that it was Hannah Rayburn and that her conversations were predominantly with Hannah Rayburn in Human Resources. Councilman Meadows asked the speaker about promotions. Councilman Meadows recommended to staff that the internal promotion policy be examined because our employees are our best asset. Ms. Drozdz stated that there were not conversations around promotion practices. Mayor Hough asked if it would have been her recommendation to consider promotion practices? Ms. Drozdz stated that it would be her recommendation that when there is a promotion that the employee is brought to at least the minimum of the range. Mayor Hough stated that this needs to be another item that is evaluated when we are doing a salary study to ensure that what we are doing in practice is correct. Councilman Meadows asked staff if we have programs encouraging staff to get further educated. Assistant City Manager Brian DuPont confirmed that the city has a tuition reimbursement program that is funded through the budget process. Councilman Meadows commented that it seems like an employee can go above and beyond, get educated to perform at their best and we are not compensating for it. Councilman Meadows stated that we should be rewarding employees for their continued education. Councilman Craig asked when this was incorporated? Ms. Drozdz

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stated that the work that she completed was finished in March of 2023. Councilman Moore asked why wasn't the 3% COLA included first before the new grading structure was implemented and did any of the pay grades decrease? Ms. Drozdz stated that a general wage increase was included and as far as the grades, this was a new structure. Councilman Meadows asked if benefits were considered in the market study? Ms. Drozdz stated that benefits were not included and that this is strictly base pay compensation. Ms. Drozdz stated that there is some could be additional work in range placement and she stands by the validity of the data. Mayor Hough stated that we need to fix what has taken place. Mayor Hough asked Ms. Drozdz if we are going to fix employees within ranges would this be up to the city, or will this be with the firm? Ms. Drozdz stated that fixing this would be outside the initial scope of their work. Mayor Hough stated that this issue needs to be fixed as soon as possible. Mayor Hough stated that the compression is significant and that we need to do something immediately to correct this. Mayor Hough stated that the Council is not pointing the finger at the consultant and realizes that she was only given enough information to do what she needed to do. Mayor Hough asked if that was that all of the information that was required and were those decisions made in a vacuum by one person reflective of what the department heads would have wanted for their employees? Mayor Hough stated that we need not only a fix, but a process now so that one person does not decide the fate of over 100 employees. Councilman Meadows asked about an appeals process. Councilman Meadows stated that transparency is vital and asked if employees could find the salary ranges without going to anyone else? Interim City Manager Danny Jackson answered and said that employees should be able to find that information, but cannot right now. Councilman Meadows asked if the consultant typically worked with teams or strictly the Human Resources Department? Ms. Drozdz stated that she allows the client to decide and drive that decision. Councilman Meadows encouraged staff to create a team for future salary study information. Mayor Hough asked Ms. Drozdz what was the direction that she was given? Ms. Drozdz stated that her direction was to match the market. Councilman Meadows asked if multiple budget options were provided to staff? Ms. Drozdz stated that there were multiple options given. Councilman Craig asked if someone shot those options down? Ms. Drozdz stated that it was a group decision by Human Resources Director Hannah Rayburn and the City Manager Miles Braswell. Councilman Craig recommended a policy creation. Mayor Hough stated that there has been a process in the past whereby consultants bring the Council options to choose from. Mayor Hough stated that the process was not followed and now we see what has happened. Councilman Craig asked if there were bronze, silver and gold type options given because he would like for Council to be able to choose options. Councilman Meadows asked if options around the City's budget were given? Ms. Drozdz stated that she was not given a set budget number. Councilman Meadows made a recommendation for staff to consider the budget during a salary study. Councilman Meadows stated that consideration for the City's budget is critical to this process. Councilman Meadows recommended that Department

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Heads be part of these discussions in the future. Councilwoman Shoemaker stated the information in past rate studies were around the market values and median set points and that this presentation mentioned plans. Ms. Drozdz stated that she did not adjust any preexisting structures. Ms. Drozdz stated that she implemented a brand-new structure. Councilwoman Shoemaker stated that it seems that we have implemented a brand-new structure with very little internal checks. Councilwoman Shoemaker asked the consultant if she thinks that all of the data should be revisited given the concerns that Council has? Ms. Drozdz stated that conversations were had back and forth along the way and that she could not see behind the curtain as to how things were implemented. Councilman Moore stated that we have employees that make less than \$40,000 per year and we have stepped up for our Police and Fire Departments and now we need to do the same for Meter Readers, Mechanics and Streets workers who are vital to our organization as well. Councilman Moore stated that all of this is very confusing, but that we need to step up all the way around. Mayor Hough stated that he thinks that we all would agree with that. Mayor Hough stated the Council felt really good when they passed the budget and felt that they had done a good thing and it wasn't long after the budget was passed that they found out different. Mayor Hough stated that one of the things that is troubling is the number of grievances that Mr. Jackson and staff have to look at. Mayor Hough stated that one grievance that he is aware involves a salary that was dropped \$10,000 after being given \$10,000 and was taken away by one person. Mayor Hough asked Mr. Jackson if staff has clear direction from Council on how to proceed? Mr. Jackson stated that he has clear direction. Councilman Meadows discussed the new structures and the unintended consequences with being hired under system A and now being measured by system B. Ms. Drozdz stated that she agreed with Councilman Meadows statement. Councilman Meadows stated that Council is a policy board and for employees who follow the hierarchy process to begin reaching out to council indicated that there was something seriously wrong. Mayor Hough asked Mr. Jackson what was needed to move forward? Mr. Jackson stated that he has the direction that is needed and that we need to react to this quickly. Councilman Meadows stated that there needs to be some educational sessions to help employees understand what has happened. Mayor Hough reiterated that a number of people got increases, but the compression needs to be addressed. Mayor Hough stated that there are other employees that will need to be addressed as well. Councilwoman Shoemaker stated that she and Councilman Meadows have championed the performance-based reviews and that there needs to be metrics. Councilwoman Shoemaker stated that employees should be rewarded for their hard work and not strictly on the number of years in the job. Mayor Pro Tem Harris stated that she was sorry that this has happened and that she is embarrassed that Council was not aware. Mayor Hough stated that unfortunately a lot of the staff did not know and that the two people involved are no longer going to be with the City of Mount Holly. Mayor stated that we are going to move forward with a clear slate and do what is right. Mayor Hough stated that if there are any questions or concerns that employees should continue

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to communicate. Councilwoman Shoemaker said thank you to the employees for reaching out. Mayor Hough and Council thanked Ms. Drozdz for her presentation.

CLOSED SESSION

1. Closed Session Pursuant to N.C.G.S 143-318.11 (a) (3 and 5)
Mayor Hough entertained a motion to go out of the regular meeting and enter into closed session pursuant to N.C.G.S 143-318.11 (a) (3 and 5). Councilwoman Pawlish made a motion to go out of the regular meeting and enter into closed session at 7:16 pm. Mayor Pro Tem Phyllis Harris seconded the motion. All council members present voted in favor. (Motion Carried)

Mayor Hough entertained a motion to come out of closed session and back into the regular meeting. Councilwoman Pawlish made a motion to come out of closed session and back into the regular meeting at 8:02 pm. Mayor Pro Tem Phyllis Harris seconded the motion. All council members present voted in favor. (Motion Carried)

ADJOURN

With no additional items for discussion, Mayor Hough entertained a motion to adjourn. Councilwoman Pawlish made the motion to adjourn the August 28, 2023 Council Meeting. Mayor Pro Tem Harris seconded the motion. All Council Members present voted in favor.

(Motion Carried)

The meeting adjourned at 8:03pm