



Non-Exempt/Hourly Pay Plan Proposal

Council Budget Committee

February 8, 2015



Pay Plan Study Background

- Council concerns related to living wage for lower paid employees
- City Practice
 - City current minimum pay = 60% of Area Median Income
 - FY16 Council approved \$27,000 (\$12.98)
 - Propose to go to \$28,260 (\$13.59) in FY17
- Pay plan for entry-level workers in labor, trades and administration reviewed (hourly classifications)
- Feedback from employees concerning pay

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Current Broadbanding Pay Plan

- Market rates are established based on extensive data gathered directly from other employers and survey sources
 - Based on median of actual wages paid in recruitment area for comparable work
 - Comparable to mid-point in a traditional range pay plan
- Emphasis on pay based on two factors: performance and position relative to market
- Employees receive merit increase, if funded, on their annual merit date

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Pay Plan Evaluation

- Study included surveys, interviews, and focus groups
 - Local municipalities, private sector, City staff
- Department Directors expressed challenges with Broadbanding pay plan for hourly employees
 - Does not address recruitment and retention adequately
 - No clear career paths or focus on pay range based on skill
 - Difficult for employees to reach market rate due to structure
 - Rules can be applied inconsistently causing pay inequities

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Proposed Pay Plan Focus Group/Survey Findings

Challenges Identified in Focus Groups and Surveys	Proposed Solutions
Employees never make it to "market rate"	Gravitate employees towards 100% of market (midpoint)
Employees don't understand broadbanding	Restructure to be easily understood by employees with flexibility for management
Employees desire cost of living, performance pay, and skill pay	Market increases and performance pay Recognition for skill attainment - Promotions – base pay increase - Reclassifications – base pay increase - Certifications/trainings – lump sum payment
Pay inequities exist within divisions and departments	Employees treated consistently across organization, pay scale based on years in position and performance
No clear career-paths for promotion	Defined pay scales and promotion pay increases

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Proposed Pay Plan Comparison

Broadbanding	Non-Exempt/Hourly Pay Plan
Over 200 market rates	20 Ranges
Difference between market rates vary	5% between midpoints
Market Rate = median (50th percentile) of survey data	Midpoint = median (50th percentile) of survey data
85% hiring guideline	90% Minimum hiring rate
Hire rates vary greatly	Hire above minimum (up to midpoint), need Department Director or designee and City HR approval
No scale adjustment increases	Annual scale adjustment increases = 1/2 Broadband merit - February
Merit matrix	Merit matrix = 1/2 Broadband Merit
Promotion increases vary greatly	Promotion increases 5%, 10%, or to minimum of range, whichever is greater. Exceptions (up to midpoint) need Department Director or designee and City HR approval

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Proposed Pay Plan Structure

Ranges

Range	Min	Mid	Max	Num Emps	Example Job Classification
Range 1	27,569	30,632	35,227	96	LABORER
Range 2	28,947	32,164	36,988	48	STREET CREW MEMBER
Range 3	30,395	33,772	38,838	83	UTILITIES TECHNICIAN I
Range 4	31,914	35,460	40,779	25	ACCOUNTING CLERK I
Range 5	33,510	37,233	42,818	165	AIRPORT SHUTTLEBUS DRIVER
Range 6	35,186	39,095	44,959	420	SPECIAL TRANSPORTATION DRIVER
Range 7	36,945	41,050	47,207	99	311 CONTACT CENTER REP
Range 8	38,792	43,102	49,568	339	SANITATION EQUIPMENT OPERATOR
Range 9	40,732	45,257	52,046	247	POLICE TELECOMMUNICATOR
Range 10	42,768	47,520	54,648	107	CRIME SCENE TECHNICIAN I
Range 11	44,907	49,896	57,381	276	LABOR CREW CHIEF II
Range 12	47,152	52,391	60,250	127	RAIL OPERATOR
Range 13	49,510	55,011	63,262	129	CODE ENFORCEMENT INSPECTOR
Range 14	51,985	57,761	66,425	188	CONSTRUCTION INSPECTOR
Range 15	54,584	60,649	69,747	67	CONSTRUCTION INSPECTOR-SENIOR
Range 16	57,314	63,682	73,234	63	CODE ENFORCEMENT INSPECT-LEAD
Range 17	60,179	66,866	76,896	62	FIRE INSPECTOR-CERTIFIED
Range 18	63,188	70,209	80,740	33	CHIEF MAINTENANCE MECHANIC
Range 19	66,348	73,720	84,777	6	FIRE INSPECTOR-SENIOR
Range 20	69,665	77,406	89,016	5	CHIEF AIRPORT CONSTRUCTION INSPECTOR

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Proposed Pay Plan: FY2017 Transition Overview

Job YOS	Pct to Mkt
< 1 - 4	90.0%
5 - 6	92.5%
7 - 8	95.0%
9 - 10	97.5%
> 10	100.0%

Job YOS = Job Class Years of Service

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Proposed Pay Plan: FY2017 Transition Overview

- 2,824 employees will average 4.2% transition increase and a 5.8% average increase with 1.5% market
- Transition to new pay in February 2017
 - Based on job class years of service, not hire date or position date
 - There will be no decreases
 - Increase ranges by 1.5%
 - All employees receive market adjustment of 1.5% on top of conversion
 - Minimum Pay brought to \$28,260

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Proposed Pay Plan: FY2017 Transition Overview

Distribution of Transition Increases Chart

% Inc	# Emps	% to Ttl
0%	831	29.4%
0% - 4.99%	851	30.1%
5.0% - 9.99%	835	29.6%
10% - 14.99%	250	8.9%
15.0 - 19.99%	48	1.7%
20.0 - 24.99%	9	.3%

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Proposed Pay Plan: FY2017 Transition Overview

Transition Examples

<i>Laborer with 2 years experience</i>				<i>Laborer with 11 years experience</i>			
Pay Increase Reason	Date	Salary	% Increase	Pay Increase Reason	Date	Salary	% Increase
FY16 Merit	10/1/2015	\$27,405	1.5%	FY16 Merit	10/1/2015	\$27,405	1.5%
Transition Increase	2/4/2017	\$27,569	0.6%	Transition Increase	2/4/2017	\$30,632	11.8%
Market Adjustment	2/4/2017	\$27,982	1.5%	Market Adjustment	2/4/2017	\$31,091	1.5%
Increase Hiring Rate	2/4/2017	\$28,260	2.5%				
FY18 Merit	10/1/2017	\$28,684	1.5%	FY18 Merit	10/1/2017	\$31,558	1.5%
<i>Sanitation Equipment Operator with 2 years experience</i>				<i>Sanitation Equipment Operator with 11 years experience</i>			
Pay Increase Reason	Date	Salary	% Increase	Pay Increase Reason	Date	Salary	% Increase
FY16 Merit	10/1/2015	\$35,423	1.5%	FY16 Merit	10/1/2015	\$35,423	1.5%
Transition Increase	2/4/2017	\$38,792	9.5%	Transition Increase	2/4/2017	\$43,102	21.7%
Market Adjustment	2/4/2017	\$39,374	1.5%	Market Adjustment	2/4/2017	\$43,749	1.5%
FY18 Merit	10/1/2017	\$39,964	1.5%	FY18 Merit	10/1/2017	\$44,405	1.5%



Future Fiscal Year Cost

- Non-Exempt/Hourly pay plan merit funded at half of the Broadbanding merit budget percent
- Non-Exempt/Hourly pay plan market adjustment funded at half of the Broadbanding merit budget percent
- Only additional cost during future budget years may be additional market adjustment if ranges fall below competitive market



Next Steps

- Present at March 16th Council Workshop
 - Included in Pay & Benefits Presentation

- City Manager's Recommended Budget
 - Pay & Benefits Recommendation May 2nd



Solid Waste Services Study

Budget Committee

February 8, 2016



Agenda

- Background
- Goals
- Current Policy & Services
- Issues
- Options
- Summary

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Background

As part of FY2016 Budget process, Council approved Work Plan for FY2017 Budget included:

- Solid Waste Services delivery and cost recovery model
 - Staff has reviewed this work as well as conducted a cost analysis of alternative options

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Goals

- Equitable service delivery
- Delivering high quality residential waste collection at the lowest possible cost
- Aligning services with national best practices

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Charlotte Code of Ordinances: Services

- **Rollout container collection service** shall be provided to single residential units and special residential units, provided such special residential units are not part of a multifamily complex containing 30 or more units.
- **Any multiple-residential units and/or city governmental agency**, referred to in this division as "unit," that furnishes and maintains a bulk container, detachable container or portable packing container will be eligible to receive service provided by the city's private contractor.



Charlotte Code of Ordinances: Definitions

- **Residential unit** means one single-family residence or an individual apartment or condominium in a multiple-family residence, unless otherwise specified by the city.
- **Single residential unit** means any dwelling place occupied by one family.
- **Multiple residential unit** means any apartment, group of apartments, or condominiums used for dwelling places of more than four families.
- **Special residential unit** means any duplex, triplex, or quadruplex.



Current Services

- **Resources**

- \$52.4M Operating Budget; 302 Employees; 177 Heavy Trucks

- **Services Provided**

- Single-Family and Multi-Family Residential Collection
- Street Sweeping, Litter Picking, Special Events Support
- Small Business Garbage and Dead Animal Collection
- Maintain Central Business District and Tryon Street Mall

- **Contracts**

- Single-Family Recycling Collection (\$6M)
- Multi-Family Garbage, Recycling, Bulk Items, Christmas Trees (\$3.7M)
- Rollout Carts – Purchase and Maintenance (\$1.6M)

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Issues with Current Practices

- Approximately 12% of all multi-family (in complexes of 30 or more) units in Charlotte choose to pay for private rollout service rather than the City-subsidized dumpster service
- The 30 unit threshold for rollout service was based on development trends in the 1990's
- In 2015, City worked with the Tax Office to remove the Solid Waste Fee from the units opting to use private haulers

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Options

Recommendation of 2014 Consultant Study and the Privatization and Competition Advisory Committee (PCAC)

1. Eliminate collection services for multi-family homes (complexes with five or more units)
2. Revise the City Code to limit provision of collection services to single family dwellings and special residential units (duplex, triplex, quadraplex)
3. Eliminate multi-family solid waste fee

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Benchmark Cities – outside NC

Multi-family Services	Charlotte	Austin	Baltimore	Columbus
Size Criteria	> 29 units	> 4-plex units	> 4-plex units	> 4 attached units
Waste Collection				
Waste Services Provided	Trash and Bulky	SNP	SNP	Trash
Service Frequency	Weekly	SNP	SNP	Weekly
Service provided by	Contracted Hauler	SNP	SNP	City
Recycling Services				
Recycling Services Provided	Yes	SNP	SNP	220 Drop box locations
Service Frequency	Weekly	SNP	SNP	N/A
Service provided by	Contracted Hauler	SNP	SNP	SWACO*
Cost and Funding				
Multi-family Service Funding Source	General Fund	NA	NA	General Fund
Fees Charged	Disposal Only	NA	NA	Collection & Disposal

SNP = Service not provided to multi-family complexes larger than specified in the Size Criteria.

NA = Not Applicable

* - Solid Waste Authority of Central Ohio

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Benchmark Cities – inside NC

Multi-family Services	Charlotte	Greensboro	Raleigh
Size Criteria	> 29 units	> 8 units ¹	> units ²
Waste Collection			
Waste Services Provided	Trash and Bulky	Trash, Bulky and Yard Waste	SNP
Service Frequency	Weekly	Weekly (cart) 1-5 times week dumpster	SNP
Service provided by	Contracted Hauler	City	SNP
Recycling Services			
Recycling Services Provided	Yes	SNP	SNP ³
Service Frequency	Weekly	Bi-Weekly	SNP
Service provided by	Contracted Hauler	City	SNP
Cost and Funding			
Multi-family Service Funding Source	General Fund	General Fund	NA ⁴
Fees Charged	Disposal Only	Collection and Disposal	Service Dependent

- 1- Provides Dumpster or semi-automated cart service to multi-family units.
 2- Raleigh considers properties with greater than five units to be multi-family and does not offer service to such properties; however, this is a relatively new policy and there are some legacy customers with up to twenty-five units that continue to receive service as of this report.
 3- Provides drop boxes if requested by complex
 4- System funding source is Enterprise Fund as of FY 2013

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Service Model Change Impact

Unit Count	Impact		Current Service Model # Units			Change to Service Model # Units			Change to Service Model Annual Savings / Cost Avoidance Estimate*	
	# Complexes	# Units	Curbside	Private Hauler	Dumpster/ Compactor	Curbside	Private Hauler	Dumpster/ Compactor	FY17	FY18
> 4 Units	1,398	152,348	16,230	17,695	118,423	0%	100%	0%	\$3.27M - \$3.62M	\$3.48M - \$3.85M

*Includes proposed multi-family unit growth, projected tipping fee and contract pricing increases

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Summary

- Option 1 - Eliminate collection services for multi-family homes (complexes with five or more units)
 - Recommendation of 2014 Consultant Study & Privatization and Competition Advisory Committee (PCAC)
 - Consistent with service provided by other Cities of comparable size
 - Savings/cost-avoidance of \$3.2 – \$3.8 million
 - Approximately 135,000 multi-family units would shift to private hauler
- Option 2 - Continue current service provision for multi-family homes

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Additional Information

	FY17	FY18
Multi-Family Contract-Dumpster/Compactor Collection	\$3.97M	\$4.27M
Curbside Collection	\$0.83M	\$0.84M
Disposal	\$2.26M	\$2.46M
Cost Savings/Avoidance	\$7.06M	\$7.57M
Solid Waste Fee	\$3.61M	\$3.91M
Revenue Reduction	\$3.61M	\$3.91M
Net Cost Savings/Avoidance +/- 5%	\$3.27M-\$3.62M	\$3.48M-\$3.85M

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Storm Water Services

Budget Committee Meeting
February 8, 2015



Outline

- FY2016 Council Decisions Update
 - Low Priority C Classification Requests
 - Fee Credits
- Preliminary Budget Outlook
- Next Steps



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- Low Priority C Classification Requests
 - Stop qualifying new low priority C's
 - Approved additional staff to start evaluating existing C's and determine future resource needs

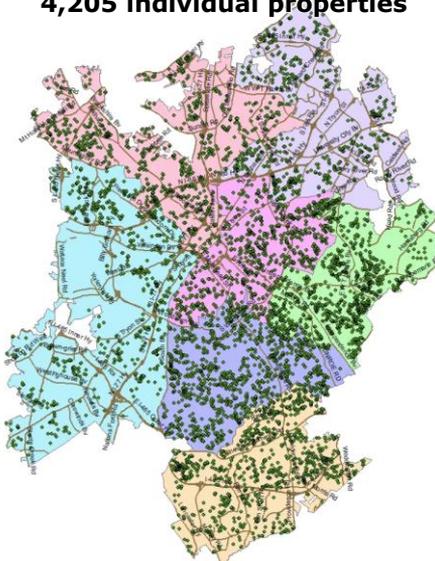


- Fee Credit
 - Review the current Fee Credit Policy to determine the appropriate credit

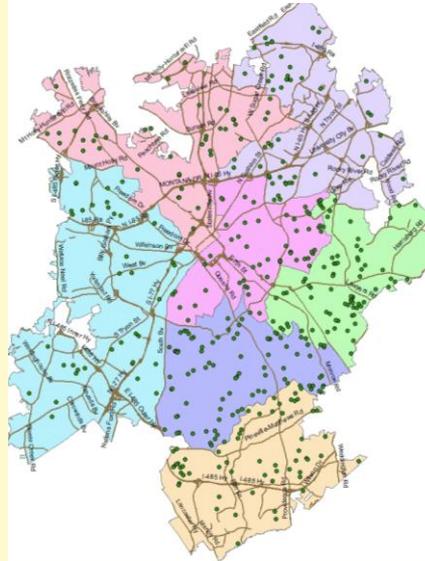
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Low Priority C Classification Requests

**5,705 C requests
4,205 individual properties**



400 reinvestigated

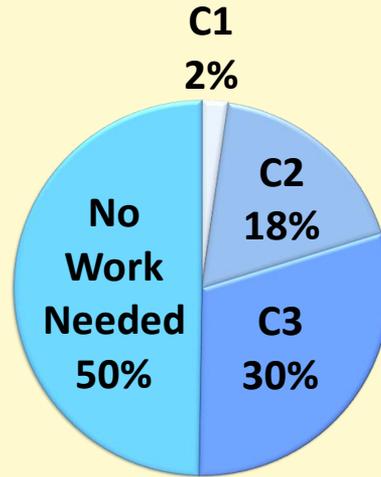


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Low Priority C Classification Requests

STAFF FINDINGS Reinvestigated C Requests (3-Month Evaluation)	
Classification	#
C1 similar to AI & A's	9
C2 similar to B's	72
C3 typical C	120
No Work Needed	199
TOTAL	400

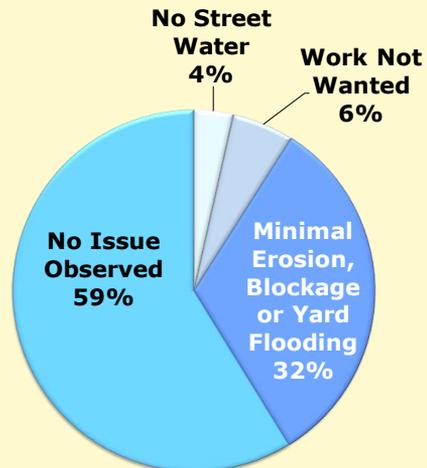


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Low Priority C Classification Requests

STAFF FINDINGS Reinvestigated C Requests (3-Month Evaluation)	
No Work Needed	#
No Street Water	7
Work Not Wanted by Owner	11
Minimal Erosion, Blockage, or Yard Flooding	64
No Issue Observed	117
TOTAL	199



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Low Priority C Classification Requests

- 201 of the 400 reinvestigated requests will require design and construction
- Estimated costs to construct vary greatly
- Prepare conceptual designs and construct several C projects to increase confidence in cost estimates and determine future resource needs

STAFF FINDINGS Reinvestigated C Requests (3-Month Evaluation)	
Estimating Costs	#
Detailed Engineering Designs Completed (no construction)	3
Conceptual Engineering Designs Completed	9
Basic Cost Estimates Developed	189
TOTAL	201

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Low Priority C Classification Requests

- 4,205 individual property requests
- 400 reinvestigated over last 3 months
- 3,805 still need to be reinvestigated
- Over next 12 months design and construction 10-15 projects to determine future needs

	STAFF FINDINGS Reinvestigated C Requests & Projection	
	Reinvestigated	Projected
C1	9	94
C2	72	757
C3	120	1,262
No Work Needed	199	2,092
TOTAL	400	4,205

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- Applied County-wide
- Credits are available in three categories:
 - Properties with stormwater control measures (296)
 - Properties draining outside of the County (41)
 - Waterfront properties along the Catawba River (309)



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- Cumulative program expenditures results in the amount of fee charged
- Fee is charged on amount of impervious surface
- If stormwater runoff is reduced then site is eligible for credit
- Amount of credit determined by runoff reduction
- Maximum credit is 100%, however program expenses are required even if runoff is reduced



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Program Expenditures and Fee Credits

- Analysis & Findings
 - Evaluated 2012-2016 expenditures and projections
 - 28% of expenditures are required for the Storm Water Program
 - infrastructure maintenance
 - federal water quality permit requirements
 - federal flood insurance program requirements

- Outreach
 - Public meeting held
 - Direct mailers asking for feedback via web & phone
 - Open forum at Storm Water Advisory in November
 - Storm Water Advisory Committee voted January 21 to support a policy change

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Preliminary Budget Outlook

- AAA & Aa1 Credit Rating
- 2.2 billion square feet of impervious surface
- 84 cents of each dollar collected from fees is spent on community investment plan (CIP)
(20 cents paid to debt service)

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
	Actuals	Approved	Projected (0% Fee Increase Assumed)				
Revenue	\$59.37M	\$66.73M	\$67.54M	\$68.22M	\$68.90M	\$69.59M	\$70.28M
Operating	\$ 9.87M	\$13.82M	\$14.67M	\$15.11M	\$15.56M	\$16.03M	\$16.36M
CIP	\$53.35M	\$59.65M	\$59.10M	\$87.78M	\$73.00M	\$65.98M	\$68.85M

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- February
 - February 18: Present to Storm Water Advisory Committee
 - February 24: Present at Council Budget Workshop
- March
 - Storm Water Advisory Committee Recommendation
- May
 - City Manager’s Recommendation
- June
 - Council Adoption