

MINUTES OF THE BOARD OF DIRECTORS OF THE SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA

June 28, 2023

The Regular Meeting of the Board of Directors of the Southeastern Public Service Authority (SPSA) was held at 9:30 a.m. in the Regional Board Room at the Regional Building, 723 Woodlake Drive, Chesapeake, Virginia. The following members were in attendance or as noted:

Mr. John Maxwell (<i>absent</i>)	(CH)	Mr. Earl Sorey	(CH)
Ms. Sheryl Raulston	(FR)	Ms. Amanda Jarratt	(FR)
Dr. Dale Baugh	(IW)	Mr. Randy Keaton	(IW)
Mr. John Keifer ¹	(NO)	Mr. Richard Broad	(NO)
Mr. C.W. "Luke" McCoy	(PO)	Ms. Lavonda Graham-Williams	(PO)
Mr. Tony Parnell	(SH)	Ms. Lynette Lowe	(SH)
Mr. D. Rossen S. Greene (<i>absent</i>)	(SU)	Mr. Albert Moor	(SU)
Mr. Thomas Leahy	(VB)	Mr. L.J. Hansen	(VB)

(CH) Chesapeake; (FR) Franklin; (IW) Isle of Wight; (NO) Norfolk; (PO) Portsmouth, (SH) Southampton County; (SU) Suffolk; (VB) Virginia Beach

Others present at the meeting included Alternate Ex-Officio Members Mr. Michael Etheridge (IW), Mr. Robert Lewis (SU), Mr. Greg Martin (CH), and Ms. Jocelyn Terry-Adumuah (PO), SPSA executives, Mr. Dennis Bagley, Executive Director, Ms. Tressa Preston, Secretary and Director of Administration, Ms. Sandy Schreiber, Treasurer and Director of Finance, and Mr. Brett Spain, General Counsel.

To accommodate those who could not attend in person, through the meeting notice, members of the public were also invited to listen to, and view presentations displayed at the meeting, by registering for attendance using a GoTo Webinar teleconferencing platform. Members of the public were also invited to speak at the SPSA Board of Directors Meeting during the designated public comment period at the beginning of the meeting by registering in advance with the Secretary through contact information published in the meeting notice. Members of the public were also invited to listen to the SPSA Board Meeting via toll-free telephone.

1. **CALL MEETING TO ORDER**

Dr. Baugh, Chairman of the Board of Directors, called the June Board Meeting to order at 9:30 a.m. and then he led the Pledge of Allegiance.

2. **PUBLIC COMMENT**

Ms. Preston reported that there were no requests for public comment.

3. **CHAIRMAN'S COMMENTS**

Chairman Baugh reviewed the day's agenda noting that it should be a very positive meeting. He also commented that he attended the informational public meeting on the draft

¹ Mr. Keifer left the meeting at 10:15 a.m.

Environmental Impact Statement (EIS) that was held at Ivor Town Hall the previous week, where he spoke with Colonel Hallberg from the Army Corps of Engineers. He also reported that staff was well prepared, positive, and articulate at the meeting and did an outstanding job representing SPSA.

4. **NOMINATING COMMITTEE REPORT**

Chairman Baugh asked for an update from Mr. Leahy, Chair of the Nominating Committee. Mr. Leahy reported that he, Ms. Lowe and Mr. Moor, the members of the Nominating Committee, reached out to the Board on more than one occasion seeking new nominations or volunteers for the FY 2024 slate of officers for the SPSA Board of Directors but received no responses. He has received confirmation from the current SPSA officers that, if elected, they would be willing to serve again. If elected, this would be Chairman Baugh's third term as Chair, which is permissible in SPSA's Bylaws. The Nominating Committee's proposed slate of officers was: Dale Baugh, Chair; Sheryl Raulston, Vice-Chair; Tressa Preston, Secretary; and Sandy Schreiber as Treasurer. It was commented that the current officers have performed their duties well and would make excellent candidates moving forward. The Board was reminded that they may volunteer or make nominations at the July meeting as well.

5. **EFFICIENCY SURVEY RESULTS**

Chairman Baugh asked Ms. Raulston to give an update on the efficiency survey that was distributed at the previous meeting. Ms. Raulston reported that from the hard copies at the meeting and the email sent afterward, there were ten total responses, most of which were anonymous. All the respondents indicated that they appreciated the changes made over the past year, such as published topic and adjournment times, and limiting some reports to written only or quarterly presentations. Some indicated that they would like to see more changes and those requests generally indicated that they would like to see both presentations and comments delivered in a more concise manner. Ms. Raulston thanked the Board and Ms. Preston for their help and commented that things are moving in the right direction. Chairman Baugh asked if there were any questions for Ms. Raulston, but there were none.

6. **APPROVAL OF MINUTES**

The minutes of the May 24, 2023 Board Meeting had been distributed. Chairman Baugh asked if there were any additions or changes and there were none.

Ms. Graham-Williams moved, seconded by Mr. Leahy, to approve the May 24, 2023 minutes of the SPSA Board of Directors, as presented. The motion was adopted by a unanimous vote in favor.

7. **ADOPTION OF THE FY24 BUDGET & STRATEGIC OPERATING PLAN**

Chairman Baugh commented that staff received no questions or comments after the previous month's presentation on the FY 2024 Budget and Strategic Operating Plan. He offered the Board the opportunity to hold discussions at that time, but there were no questions or comments.

Mr. McCoy moved, seconded by Ms. Graham-Williams, to adopt the SPSA Operating and Capital Budgets for Fiscal Year 2024, as presented. The motion was adopted by a unanimous vote in favor.

Ms. Preston read the following Resolution:

**RESOLUTION APPROVING REVISIONS TO THE
STRATEGIC OPERATING PLAN – JUNE 28, 2023**

WHEREAS, the Southeastern Public Service Authority of Virginia (“SPSA”) is a party to identical Use and Support Agreements (the “Post-2018 Use & Support Agreements”) with each of its member communities (the “SPSA Members”);

WHEREAS, the Post-2018 Use & Support Agreements (1) include a Strategic Operating Plan to be attached thereto as Schedule I and incorporated therein by reference; and (2) require that the SPSA Board of Directors (the “Board”) review the Strategic Operating Plan on at least an annual basis in connection with the Board’s review and consideration of the annual operating budget of SPSA, and at such other times as the Board may deem necessary or appropriate;

WHEREAS, pursuant to the Post-2018 Use & Support Agreements, if deemed necessary or appropriate after review, the Strategic Operating Plan may be updated or modified by a resolution approved by at least seventy-five percent (75%) of the Board, and any such updated and/or modified Strategic Operating Plan shall be appended to the Post-2018 Use & Support Agreements as the new Schedule I thereto, in replacement of all prior Strategic Operating Plans.

WHEREAS, SPSA Executive Staff with the assistance and advice of legal counsel has reviewed the Strategic Operating Plan, and has recommended to the Board that certain updates and modifications be made to the Strategic Operating Plan; and

WHEREAS, the Board after review and consideration has deemed it necessary and appropriate to make the recommended changes to the Strategic Operating Plan.

NOW THEREFORE BE IT RESOLVED, by the SPSA Board of Directors as follows:

1. The Strategic Operating Plan shall be updated and modified as shown on the Strategic Operating Plan attached to this resolution, the updated and modified Strategic Operating Plan shall replace the version of the Strategic Operating Plan approved by the Board on April 27, 2022, and the updated and modified Strategic Operating Plan shall be deemed to be appended as Schedule I to the Post-2018 Use & Support Agreements, and duly incorporated therein.

2. The Board hereby authorizes and directs the Executive Director of SPSA, in the name and on behalf of SPSA, to do all such acts and prepare, execute, file and deliver all such other documents, each in the name and on behalf of SPSA, that they may deem necessary or desirable to carry out the intent and purposes of the foregoing resolution.

Adopted this 28th day of June, 2023

Dale E. Baugh, Chairman

Mr. Keifer moved, seconded by Mr. Keaton, to adopt the resolution for revisions to the Strategic Operating Plan, as presented. The motion was adopted by a unanimous vote in favor.

8. EXECUTIVE DIRECTOR UPDATES

Mr. Bagley recognized Heavy Equipment Operator, Sr. James Stone, and Heavy Equipment Operator, Jerome Jordan, as the SPSA Values in Action Employees of the Month. Mr. Stone and Mr. Jordan work at the Suffolk Transfer Station and exemplified the value of Community Stewardship when coming to the aid of a customer who had a serious medical emergency while at the station. They cared for the gentleman and his grandson with professionalism and kindness we should all strive to emulate. Mr. Bagley went on to say that SPSA's Safety and Risk Manager is working on additional training for staff to be better prepared for these types of situations at all facilities. Dr. Baugh presented Mr. Stone and Mr. Jordan with plaques and lapel pins as tokens of the Board's appreciation.

Regarding wetlands permitting, the 60-day public comment period has begun, as the draft EIS was published as scheduled and two informational meetings have been held. The meeting in Suffolk had very low attendance, with one representative from the Nansemond River Preservation Alliance who is in favor of the expansion, and a representative of the Nansemond Indian Nation. No parties spoke against expansion at the Regional Landfill. The meeting at Ivor Town Hall was attended by many citizens from Southampton County who had pointed questions and angry comments about the possibility of a new landfill project in Ivor. Mr. Bagley drew the Board's attention to a handout at their tables with the dates and locations of the upcoming public hearings. Chairman Baugh asked Mr. Bagley to explain why the citizens in Ivor are so engaged. Mr. Bagley explained that in addition to expressing concern about information getting to them late and not wanting a landfill in Ivor at all, they are not pleased with the fact that even though SPSA's eight member communities are in favor of moving forward with expansion at the Regional Landfill, and that Southampton County has passed a resolution against siting a landfill in their town, that the Corps is still pursuing this as a viable option. Mr. Bagley anticipates that the public hearings will be much of the same commentary, which will be recorded for the public record. Mr. Bagley said that he agrees with the Chairman that SPSA has positioned itself as best as it possibly can and has made a strong case for expansion at the Regional Landfill. Mr. Keifer asked what Mr. Bagley would like to see from the Member Communities. Mr. Bagley responded that he will be discussing that topic with Mr. Bob Crum of the HRPDC and will be better able to give feedback at the next meeting, but in general, it may be better to have HRPDC provide comments on behalf of all of the communities than to have individual form letters.

The leachate evaporator should be delivered between July 5th and July 7th. It is completed and ready to set on the slabs. The City of Suffolk's site plan review is nearing completion. Updated emissions calculations have been provided to DEQ as part of the Title V application and staff and consultants are hopeful that those calculations indicate that only a minor modification will be necessary, making the process for amending the permit much quicker than anticipated.

At the Renewable Natural Gas Facility, the gas collection system and well field upgrade process is well underway in Cells V and VI. Mr. Bagley reminded the Board of the importance of this project being taken on by Terreva at their own expense because it will install electronic controls on each wellhead which can be controlled by one computer. This will decrease methane release and optimize methane collection for the facility.

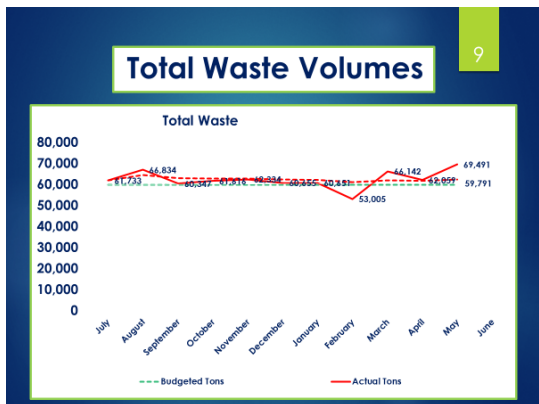
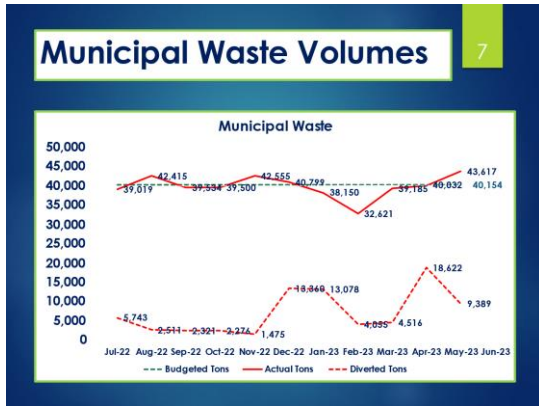
Mr. Bagley informed the Board about the waste characterization study being performed by SCS Engineers which will be used by SPSA as part of the RFP for an alternative disposal mechanism. It will also be used to identify areas where SPSA can work to reduce disposal volumes. The two sites being studied are Chesapeake Transfer Station and Landstown Transfer Station because, as Mr. Bagley explained, Virginia Beach has a curbside recycling program and Chesapeake does not. The study will determine things like how much cardboard, plastics, and organics are coming out of each site and may be expanded to other sites as necessary. He will present the final report to the Board once it is completed in a few months. Mr. Leahy asked if there was a baseline study from which to make a comparison or if this was the first study of its kind. Mr. Bagley responded that correspondence indicates that a similar study was conducted in the 1980s but the study hasn't been located yet, though staff is still combing through old records. However, Mr. Bagley does not think the former study is particularly relevant as it won't shed much light on the current waste stream or how to handle it. Mr. Bagley said, and informed the Board that he will continue to say, that SPSA must look to new ways to manage waste and can no longer rely on landfilling for waste disposal. He is particularly interested in how managing organics can increase the lifespan of the Regional Landfill. Mr. Sorey commented, for the record, that Chesapeake does have a recycling program that is operated through convenience centers, collecting a much cleaner stream of recyclables than their previous curbside collection program. Mr. Bagley thanked Mr. Sorey for the clarification and apologized for leaving that out of his previous statement.

The HRPDC has assigned Mr. Eric Walberg to the Regional Solid Waste Management Plan (RSWMP) and SPSA staff could not be more pleased with his efforts. He was previously employed by HRPDC and has worked on past RSWMPs so he comes to the project with a wealth of knowledge and a willingness to dig in to find answers. He is very engaged with the process and understands the significance of completing the plan. He has provided a timeline and has scheduled five of the eight required public hearings. The estimated completion date is September of 2023.

Because of the uncertainty with WIN Waste, it has been difficult to enter long-term commercial contracts with regular contract customers. The regular five-year contracts are set to expire on June 30, 2023. Mr. Bagley asked that a motion be made to extend current commercial contracts for 60 days or until new contracts are executed, whichever is sooner. Mr. Hansen asked how many contracts were involved. Mr. Bagley responded that there were three: Tidewater Fibre, GFL, and Waste Industries. Mr. Leahy asked if this was something that could be done unilaterally or would the other parties need to agree, as well. Mr. Spain responded that it would be by mutual agreement, but that SPSA could not approach the commercial contractors without first getting permission from the Board.

Mr. Moor moved, seconded by Ms. Raulston, to extend the current commercial waste contracts for 60 days, or until such time as the new contracts are executed, whichever is sooner. The motion was adopted by a unanimous vote in favor.

Mr. Bagley reviewed municipal and commercial waste volumes for the reporting period, as well as total waste volumes and tons diverted. As the graphs show, municipal solid waste is well above the targeted average. Mr. Bagley noted that commercial waste is up, as expected, likely due to the newly approved agreement with Waste Management. Diversions are a bit lower than the previous month. Total average monthly waste volumes remain above the total average budgeted waste volumes. Mr. Bagley noted that the chart is easier to comprehend now that there is nearly a year's worth of data to compare.



9. CONTRACTS

With the new fiscal year beginning in the next month, Ms. Preston gave a brief refresher on SPSA’s procurement practices. She reminded the Board that SPSA is subject to the Virginia Public Procurement Act and with a few notable exceptions such as legal services and emergencies all purchases over \$30,000 must be procured through a competitive process either by SPSA initiating its own RFP or IFB process for negotiation or sealed bidding or utilizing the state’s allowance for joint and cooperative procurement, meaning that if another public body has gone through that competitive process, SPSA, as a state body, may benefit from their work and negotiate their own contract. The Executive Director may award contracts up to a value of \$100,000 and the Board must approve anything over that amount. Per SPSA’s financial policies contracts that the Executive Director has authorized that fall between \$99,999 and \$30,000 will be brought to the Board for informational purposes. She informed the Board that there were three new contracts and three renewal contracts that required a vote from the Board. In an effort to improve efficiency, staff offered the option for the Board to vote on those contracts with a single vote or, if they preferred, the contracts could be addressed individually.

New Contracts 13

Milling and Paving of the Oceana Transfer Station Drop Lot

- IFB with 5 Bidders
- Excel Paving Corporation was low bid at \$97,303
- Budgeted at \$82,631 – overage from capital purchase savings

Service & OEM Caterpillar Replacement Parts

- Sourcewell Contract with Carter Machinery
- Budgeted at \$300,000



Service & OEM Volvo Replacement Parts

- Sourcewell Contract with McClung-Logan
- Budgeted at \$200,000

Renewal Contracts 14

FY 2024 Property, Liability & Workers' Compensation Insurance

- VRSA – 14th Year of Service
- \$395,045 Budgeted (25% overall increase due to property coverage and WC)

Laboratory Analysis Services

- Enthalpy Analytical – 2nd of 4 option years
- \$90,000 Budgeted (based on FY 2023 per-service rates)

Truck Tire Management Program

- Colony Tire – 2nd of 4 option years
- \$168,000 Budgeted (based on FY 2023 per-service rates)

Questions 15

RECOMMENDATION: Authorize the Executive Director to award contracts, as presented, to:

- Excel Paving for Milling and Paving of the Oceana Transfer Station Drop Lot
- Carter Machinery for Service and OEM Caterpillar Replacement Parts
- McClung-Logan for Service and OEM Volvo Replacement Parts
- VRSA for FY24 Property, Liability, & Workers' Comp. Insurance
- Enthalpy Analytical for Laboratory Services and
- Colony Tire for the Truck Tire Management Program

OR

Address each contract with an individual vote.

Additional Contracts - FYI 16

Grounds Maintenance

Coastal Lawn Services	approx. \$78,000	3 rd of 4 Option Years
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Solid Rubber Cutting Edges

Rubberedge	approx. \$62,200	2 nd of 4 Option Years
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RLF Security Services

UAS, Gardaworld	\$85,524 budgeted	Cooperative Contract
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Household Hazardous Waste

MXI Environmental	approx. \$56,000	Cooperative Contract
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At the request of Mr. Leahy, Ms. Preston explained that Sourcewell is an entity run by the state of Minnesota that compiles cooperative contracts for public bodies so that they are easier to locate and utilize. Ms. Graham-Williams asked about the reference to “VML” in the renewal contract for insurance. Ms. Preston apologized for the use of an unexplained acronym, stating that VRSA, the Virginia Risk Sharing Association was previously known as VML, the Virginia Municipal League and that the reference would be corrected in the future. There were no further questions or comments on any of the contract matters.

Mr. Leahy moved, seconded by Mr. Broad, to authorize the Executive Director to award new contracts for Milling and Paving of the Oceana Transfer Station Drop Lot, Service and OEM Caterpillar replacement parts, Service and OEM Volvo replacement parts, and renewal contracts for Property Liability and Worker’s Compensation Insurance, Laboratory Analysis Services, and the Truck Tire Management Program, as presented. Mr. Keifer had left the meeting and Mr. Keaton and Ms. Jarratt were temporarily out of the room at the time of the vote and did not participate. Mr. McCoy abstained from voting on the Truck Tire Management Program contract and voted in favor of all other contracts. Aside from the previously noted exceptions, the motion was adopted by a unanimous vote in favor.

Additionally, Ms. Preston reviewed several contracts that fell between the \$99,999 and \$30,000 threshold wherein the Executive Director may award a contract that is anticipated in the previously approved budget, and then bring them to the Board for informational purposes. She also reviewed SPSA’s procedure for compensating legal services, which are exempt from

competitive procurement and secured through letters of agreement outlining hourly attorneys' fees and voted on by the Board.

10. COMPENSATION AND CLASSIFICATION STUDY PRESENTATION

Mr. Bagley reintroduced Ms. Kerri Arnold of the Newport Group who was present to report on the results of the compensation and classification study she and her team had been working on since being awarded a contract through a competitive bidding process authorized by the Board several months ago. Ms. Arnold and her team have been working closely with SPSA staff, as well as performing rigorous industry research. Ms. Arnold thanked the Board for letting her present again, noting that since last meeting with them in December of 2022, she has received great support from staff and member communities in providing data necessary for their work. Ms. Arnold reviewed the project objectives and scope, strategy and approach, program and design, the results, and recommendations and suggested next steps.



**Compensation Study
Results & Recommendations**

Board of Directors Meeting
June 28, 2023

Agenda

- Project Objectives & Scope
- Strategy & Approach
- Compensation Program Design
- Results
- Recommendations & Next Steps

Kerri Arnold, SHRM-SCP, SPHR, CCP
Principal, Compensation Consulting





Project Objectives

Objectives

Comprehensive compensation study to support SPSA's ability to attract and retain key talent.

- Align pay program with SPSA's strategy and goals
- Provide a competitive market analysis in comparison to industry, comparable sized organizations & peer group member communities
- Attainable, fiscally responsible & sustainable for many years

Project Scope

Positions Included

- Staff, Manager and Director job levels

Total Rewards Philosophy Discussion

- To align pay program with SPSA's goals, objectives, define labor market & level of pay competitiveness

Published Compensation Data Review

Peer Group Compensation Review

• City of Franklin	• City of Suffolk
• City of Chesapeake	• City of Virginia Beach
• City of Norfolk Public Works Dept.	• Isle of Wight County
• City of Portsmouth	• Southampton County

Employee Pay Analysis & Cost Model





Compensation Program Design

Defining the Competitive Labor Market

Competitive Labor Market	
Industry:	Solid Waste Landfill & Public Sector
Revenue:	\$52 Million
Employees:	Approximately 135
Geography:	Chesapeake & Southeastern VA
Peer Group Member Communities:	Small & Large Local Cities & Counties



Chesapeake, VA Cost of Labor:

98.2% U.S. National Average
88.6% Mid Atlantic
94.4% Virginia

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Market Pricing Report Example

Base Salary Analysis

Job Title	Organization Information		Market Composite	
	Industry	Revenue	Base Pay	Total Cash
Heavy Equipment Operator	Industry: Solid Waste Landfill Revenue: \$12.000M Employee Size: 100 Employees Location: Chesapeake, VA Pay Method: Annual \$100,000	7th \$12.0	8th \$41.0	9th \$45.0

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Peer Group Analysis Example

Salary Range Analysis

SPSA Job Title	SPSA Department/Family	Pay Grade	Minimum	Midpoint	Maximum
Heavy Equipment Operator	Transfer Stations	5	\$36,788	\$45,987	\$55,188

Peer Organization Peer Range Analysis					
Peer Organization	Peer Organization Job Title	Pay Grade	Minimum	Midpoint	Maximum
City of Chesapeake	Equipment Operator II	GE07	\$41,948	\$54,532	\$67,116
City of Fairfax	Motor Equipment Operator III	108	\$35,410	\$44,270	\$53,129
City of Norfolk Public Works Dept.	Equipment Operator II	7	\$37,440	\$48,234	\$61,027
City of Portsmouth	Equipment Operator II	20	\$36,632	\$53,803	\$69,556
City of Suffolk	Heavy Equipment Operator	207	\$39,891	\$51,320	\$62,748
City of Virginia Beach	Heavy Equipment Operator	0.20	\$43,144	\$55,008	\$66,873
State of West County	Heavy Equipment Operator I	106	\$31,856	\$41,867	\$51,879
Southernham County	Utility System Operator II	22	\$33,536	\$42,758	\$51,981
Average			\$37,482	\$48,112	\$60,639
Comparison of SPSA Pay Range to Peer Group Average			98.1%	93.6%	91.2%

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Jobs with Greatest Market Pay Gap

Staff

Job Title	Current Grade	Market Rate / Midpoint Analysis		Recommended SPSA Pay Grade	Recommended Grade
		1. Published Reports Analysis	2. Peer Group Analysis		
Solid Waste Assistant	2	\$38,600	\$40,205	\$40,600	3
Environmental Technician	3	\$47,800	\$42,902	\$44,700	4
Mechanics Helper	2	\$45,500	\$43,761	\$44,700	4
Storeroom Keeper	3	\$41,800	\$42,225	\$44,700	4
Landfill & Environmental Support Specialist	4	\$49,500	\$44,323	\$49,200	5
Heavy Equipment Operator	5	\$59,100	\$48,112	\$54,100	6
Senior Heavy Equipment Operator	6	\$64,700	\$53,431	\$60,900	7
Environmental Coordinator	7	\$64,400	\$68,168	\$68,500	8
IT Support Specialist	7	\$73,500	\$61,057	\$68,500	8
Scalehouse Supervisor	7	\$61,700	\$61,272	\$68,500	8
Tire Shredder Supervisor	7	\$64,500	\$64,343	\$68,500	8
Landfill Engineering Technician	8	\$75,300	\$61,625	\$77,100	9
Senior Accountant	9	\$80,500	\$69,863	\$86,700	10

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Jobs with Greatest Market Pay Gap

Management

Job Title	Current Grade	Market Rate / Midpoint Analysis		Recommended SPSA Pay Grade	Recommended Grade
		1. Published Reports Analysis	2. Peer Group Analysis		
Environmental Manager	10	\$102,100	\$93,688	\$99,700	11
Fleet Manager	10	\$101,700	\$94,037	\$99,700	11
Heavy Equipment Manager	10	\$97,400	\$92,382	\$99,700	11
Human Resources Manager	10	\$106,600	\$90,963	\$99,700	11
Information Technology Manager	10	\$114,200	\$87,745	\$99,700	11
Safety & Risk Manager	10	\$104,600	\$93,119	\$99,700	11
Transportation Operations Manager	10	\$103,000	\$84,657	\$99,700	11
Director of Administration	11	\$155,900	\$132,678	\$143,500	13
Director of Finance	11	\$152,600	\$131,789	\$143,500	13
Director of Operations	11	\$154,300	\$132,811	\$143,500	13

Management Pay Grades recommendations lean toward public sector peers & acknowledge industry transferrable skill sets.

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Pay Structure Design Recommendations

Strategy: To be market competitive within Industry & Peer Member Communities

Southeastern Public Service Authority Pay Plan (Projected) Effective July 1, 2023

Grade	Minimum	Annual	Maximum	Midpoint	Range	Differential	Spread
1	\$26,314.54	\$32,893.04	\$39,471.54	-	-	-	50%
2	\$28,945.63	\$36,182.44	\$43,418.71	10.0%	50%	10.0%	50%
3	\$31,840.35	\$39,800.71	\$47,760.80	10.0%	50%	10.0%	50%
4	\$35,024.56	\$43,780.89	\$52,537.01	10.0%	50%	10.0%	50%
5	\$38,787.66	\$45,986.71	\$55,188.01	5.0%	50%	5.0%	50%
6	\$41,115.62	\$51,396.06	\$61,678.57	11.8%	50%	11.8%	50%
7	\$51,835.52	\$64,922.65	\$77,969.50	26.3%	50%	26.3%	50%
8	\$55,871.01	\$69,487.27	\$83,363.87	7.0%	50%	7.0%	50%
9	\$60,016.68	\$76,413.87	\$90,032.36	10.0%	50%	10.0%	50%
10	\$66,018.36	\$84,055.25	\$96,035.60	10.0%	50%	10.0%	50%
11	\$84,000.00	\$108,000.00	\$124,000.00	28.5%	32%	28.5%	32%
12	\$132,036.71	\$165,053.94	\$198,071.18	-	50%	-	50%

Midpoint Progression = % distance from one Midpoint to the next
Range Spread = % distance between Minimum and Maximum

Recommendations

- Keep general framework
- Build out 2 more pay grades for consistent job levels
- Relatively minimal overall structure movement

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Compensation Program Design

Recommended Pay Grades & Ranges

Recommended 2023 Annual Salary Structure							
Grade	Minimum	1 st / ₂ nd Quintile	Midpoint	3 rd / ₄ th Quintile	Maximum	Midpoint Progression	Range Spread
1	\$26,800	\$30,200	\$33,500	\$36,800	\$40,200	10.0%	50%
2	\$29,500	\$33,200	\$36,900	\$40,600	\$44,300	10.0%	50%
3	\$32,500	\$36,600	\$40,600	\$44,700	\$48,800	10.0%	50%
4	\$35,800	\$40,300	\$44,700	\$49,200	\$53,700	10.0%	50%
5	\$39,400	\$44,300	\$49,200	\$54,200	\$59,100	10.0%	50%
6	\$43,300	\$48,700	\$54,100	\$59,500	\$65,000	10.0%	50%
7	\$48,700	\$54,600	\$60,900	\$67,000	\$73,100	12.8%	50%
8	\$54,800	\$61,700	\$68,500	\$75,400	\$82,200	12.5%	50%
9	\$61,700	\$69,400	\$77,100	\$84,900	\$92,600	12.5%	50%
10	\$69,400	\$78,100	\$86,700	\$95,400	\$104,100	12.5%	50%
11	\$78,900	\$88,800	\$99,700	\$109,700	\$119,700	15.0%	50%
12	\$89,700	\$107,700	\$119,600	\$131,600	\$143,600	20.0%	50%
13	\$114,800	\$129,200	\$143,900	\$157,900	\$172,200	20.0%	50%
14	\$137,800	\$155,000	\$172,200	\$189,500	\$206,700	20.0%	50%

Midpoint Progression = % distance from one Midpoint to the next
Range Spread = % distance between Minimum and Maximum

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Compensation Analysis Results

How Competitive is Employee Pay?

Position Group	Market Ratio	Competitive Level
Accounting	87.0%	Low
Environmental	83.5%	Low
Executive Office	83.5%	Low
Fleet Maintenance	93.5%	Competitive
Human Resources	81.4%	Low
Information Technology	66.4%	Low
Regional Landfill	80.2%	Low
Safety	67.2%	Low
Scalehouse Operations	89.2%	Competitive
Tire Processing Facility	72.5%	Low
Transfer Stations	77.7%	Low
Transportation	87.6%	Low
Overall	83.5%	Low

Salaries within (+/-) 10% of the market rate are relatively competitive.

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Compensation Analysis Cost Summary

Step	Strategy	# Employees	Salary Cost
1	Annual Increase (July 1)	135	\$328,118 <i>Modeled at 5%</i>
Compensation Study Market Adjustments			
2	Adjust to New Pay Range Minimum	44	\$123,930 1.9%
3	Adjust within Pay Range Based on Years in Position	35	\$186,642 2.6%
4	Final Pay Adjustments reviewed and approved by Management		
Total in addition to Annual Increase:			\$310,572 4.6%

Implementation Strategy: Can decide to fund all adjustments at one time, or over multiple years.

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Recommendations & Next Steps

Keeping the Pay Program Sustainable

- Recommended Structure Movement Each Year
- Ongoing Compensation Consulting Support
 - New Position Evaluation
- Pay Study Update Recommended in 2 to 3 Years

Next Steps

- Benefits Program Analysis
- Job Description Updates & Site Visits
- Compensation Administration Guidelines
- Manager Communication & Training

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Q&A

May I answer any questions?

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Thank you

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There was extensive discussion on the value of peer group salary data and private industry data and how SPSA needs to remain competitive in both markets without outpricing its member communities. There were a number of ideas suggested on how to balance remaining competitive within practical parameters. It was determined that Ms. Arnold and SPSA staff would take the substantial feedback presented by the Board, address those concerns, and bring back a new proposal.

11. WRITTEN REPORTS

Chairman Baugh asked if there were any questions regarding the written Financial Report or the WIN Waste Report, but there were none.

12. CLOSED SESSION

Chairman Baugh informed those present there was a closed session on the agenda for discussion about the WIN Waste contract. Chairman Baugh announced that only Board Members, SPSA executive staff (Dennis Bagley, Tressa Preston, Henry Strickland, and Sandy Schreiber), and legal counsel (Brett Spain for SPSA and Ellen Bergren for the City of Chesapeake) would be present for the closed session. There were no objections to that plan.

Motion to Approve Request for Closed Meeting.

I move that a closed session be held for discussions regarding the impact of the December 2022 fire at the WIN Waste facility on WIN Waste's continued performance under the Waste Disposal and Services Agreement executed by SPSA and WIN Waste's predecessor on September 18, 2018, in accordance with (a) Virginia Code Section 2.2-3711(A)(29) for the purpose of considering the negotiation and award of a public contract involving the expenditure of public funds and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body; and (b) Virginia Code Section 2.2-3711(A)(8) for the purpose of consulting with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel.

Mr. Broad moved, seconded by Ms. Jarratt, to enter closed session, as presented. The motion was adopted by a unanimous roll call vote in favor by all voting members present as noted. The closed session began at 11:41 a.m.

Once back in open session at 11:52 a.m. both in person and electronically the following motion was read.

Motion to Approve Certification after Closed Meeting.

The Board hereby certifies that, to the best of each member's knowledge: (i) only public business matters lawfully exempted from open meeting requirements by Virginia law under the Virginia Freedom of Information Act; and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered in the closed meeting just concluded.

Mr. Leahy moved, seconded by Ms. Graham-Williams, to certify the closed session, as presented. The motion was adopted by a unanimous roll call vote in favor by all voting members present as noted.

13. OTHER BUSINESS

Chairman Baugh asked if there was any other business, but there was none.

14. ADJOURN MEETING

There being no further business to come before the Board of Directors, the regular meeting was adjourned at 11:53 a.m.



Dennis L. Bagley
Executive Director

Submitted by: Tressa Preston, Secretary, SPSA Board of Directors