

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

July 26, 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 ¹	(CH)	Mr. Earl Sorey	(CH)
Ms. Sheryl Raulston ²	(FR)	Ms. Amanda Jarratt	(FR)
Dr. Dale Baugh	(IW)	Mr. Randy Keaton ³	(IW)
Mr. John Keifer	(NO)	Mr. Richard Broad ⁴	(NO)
Mr. C.W. "Luke" McCoy	(PO)	Ms. Lavonda Graham-Williams ⁵	(PO)
Mr. Tony Parnell	(SH)	Ms. Lynette Lowe	(SH)
Mr. D. Rossen S. Greene	(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. Jeremy Kline (VB), Mr. Robert Lewis (SU), Mr. Greg Martin (CH), Mr. Oliver Love, Jr. (NO), 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 July 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.

¹ Mr. Maxwell was absent.

² Ms. Raulston was absent.

³ Mr. Keaton was absent. Mr. Etheridge attended as the voting Ex-Officio member from Isle of Wight County.

⁴ Mr. Broad was absent. Mr. Love attended as the voting Ex-Officio member from the City of Norfolk.

⁵ Ms. Graham-Williams was absent. Ms. Terry-Adumuah attended as the voting Ex-Officio member from Portsmouth.

3. ANNUAL MEETING

Chairman Baugh reminded the Board that the July meeting also serves as the Annual meeting and, per the Bylaws, a slate of officers must be elected. He asked Mr. Leahy, Chair of the Nominating Committee, to present.

Mr. Leahy reported that he, Ms. Lowe, and Mr. Moor, the members of the Nominating Committee, proposed the following slate of officers to be voted on at the Annual Board Meeting: Chair, Dale Baugh; Vice Chair, Sheryl Raulston; Treasurer, Sandy Schreiber; and Secretary, Tressa Preston. Mr. Leahy asked if there were any questions or further nominations, but there were none. He also mentioned that, if elected, this would be Dr. Baugh's third consecutive term, which is allowed under SPSA's Bylaws.

Mr. Leahy moved, seconded by Mr. Moor, to approve the slate of officers presented by the Nominating Committee. The motion was adopted by a unanimous vote in favor.

Chairman Baugh made the following Committee appointments: Executive Committee: Sheryl Raulston, Al Moor, Tom Leahy, and Randy Keaton; Audit Committee: Lynette Lowe, Chair, Lavonda Graham-Williams, and Oliver Love, Jr.; Flyover Oversight Committee: Robert Lewis, Chair, Earl Sorey, and L.J. Hansen. He also thanked the Committee members, who he had spoken with before the meeting, for their willingness to serve.

4. CHAIRMAN'S COMMENTS

Chairman Baugh thanked the Board for all of their outstanding support. He commented that they have been tremendous partners and that SPSA staff does an excellent job so he is sure that the coming year will be an exciting one as everyone continues to work together for the good of the region. He drew the Board's attention to the tri-fold brochures at their tables which featured location-specific residential waste guidelines. Chairman Baugh explained that the brochures are being distributed at transfer stations as part of staff's ongoing efforts to improve communications and customer service.

5. APPROVAL OF MINUTES

The minutes of the June 28, 2023 Board Meeting had been distributed. Chairman Baugh asked if there were any additions or changes and there were none.

Mr. Keifer moved, seconded by Mr. McCoy, to approve the June 28, 2023 minutes of the SPSA Board of Directors, as presented. The motion was adopted by a unanimous vote in favor.

6. EXECUTIVE DIRECTOR UPDATES

Mr. Bagley recognized Storeroom Keeper, Dawn Barker, as the SPSA Values in Action Employee of the Month. A team player and problem solver, one of the reasons Ms. Schreiber is especially grateful for all of Ms. Barker's efforts is that she ensures that annual inventory accounting is accurate. Dr. Baugh presented Ms. Barker with a certificate and a lapel pin as tokens of the Board's appreciation.

Regarding the wetlands permitting necessary for planned expansion into Regional Landfill Cells VIII and IX, the process moves forward with the Public Hearing for the City of Suffolk

scheduled for later that evening and the one for the Town of Ivor the following night. Mr. Bagley said that if the Informational Meetings are any indication, there will likely be a large and vocal turnout in Ivor. The Public Comment Period for the Environmental Impact Statement process is scheduled to conclude on August 15, 2023 and then SPSA staff will meet with the Army Corps of Engineers to review the comments. The Corps has estimated that a Record of Decision should be reached by the end of 2023 or the beginning of 2024.

Equipment delivery for the Leachate Evaporator is complete and Suffolk's site plan review has been completed and approved. The Air Permit review is still under way and, due to the complexity of the issue, Mr. Keith Matteson of SCS Engineers was present to update the Board on the progress being made. Mr. Matteson outlined the steps that have been taken, including confirming and resubmitting pollutant emissions calculations for New Source Review (NSR) permitting. Moving forward, DEQ intends to recognize a completed permit application and SCS and SPSA staff have a meeting with DEQ later in the week to discuss next steps for construction of the Leachate Evaporator and the permit application procedure process. Mr. Bagley added that he has received an email that construction can begin, but he is looking forward to getting more clarity from the Tidewater office. He also mentioned that SCS is working with Mr. Bob Dick, who is very experienced in the industry, and is confident that the permitting outcome will be favorable. Matteson and Mr. Bagley offered to answer any questions.

Mr. Leahy asked Mr. Matteson if SCS's pollutant emissions calculations differed in any way from the previous calculations. Mr. Matteson said that they did not. Mr. Leahy also asked where the gas to run the evaporator is going to come from. Mr. Bagley said that SPSA will be buying it, rather than using landfill gas, because the value of landfill gas is so high that it is more cost effective to sell it than use it. Mr. Hansen commented that, in his experience, what staff and consultants are experiencing is typical of getting an air permit in the region. He went on to say that the process is very long and convoluted, but he agrees with everything said and that confidence is very high that SPSA is going to get there. Mr. Keifer commented that he would like to commend the staff for their efforts and persistence in getting this leachate evaporator where it is as an innovative solution to reduce hauling.

Mr. Bagley and staff met with Terreva Renewables, the operator of the Renewable Natural Gas (RNG) facility. The facility is being commissioned with gas beginning to be put into the pipeline later in the week for a testing process. Plans for a ribbon cutting ceremony and tour for the Board are underway. The RNG facility is a huge success story for SPSA, and staff are eager for the community to know about this innovative project at the Regional Landfill.

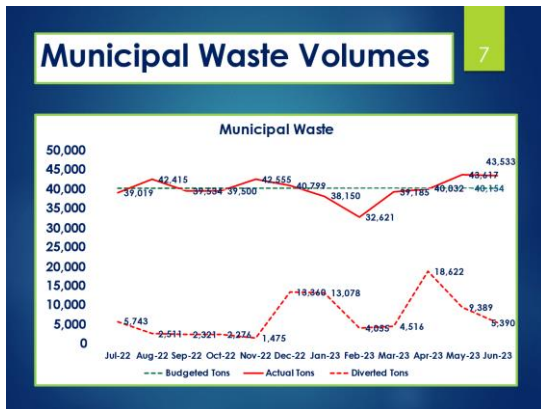
SCS Engineers have completed the site work for the Waste Characterization Study and are working to complete their final report. They will then provide that information to the Board. The Waste Characterization Study will play an important role in the RFP for Alternative Waste Disposal that staff intends to have ready to publish in December 2023. Details on that RFP will be discussed at the October Board Meeting. SCS will also help in the preparation of the RFP.

Mr. Eric Walberg of the HRPDC continues to do a great job with the Regional Solid Waste Management Plan (RSWMP). All eight Public Hearings have been scheduled, four have taken place, and the Norfolk meeting was scheduled to take place later that day. The estimated completion date remains on track for September 2023.

There was no planned closed session on the agenda to discuss the WIN Waste contract, as Mr. Bagley informed the Board that an Amendment to the Waste Disposal Agreement and a Purchase and Sale Agreement was being reviewed by WIN and their attorneys. Mr. Bagley

hoped there would be minimal changes necessary and that he would be able to return to the Board in August with both the Amendment and the Purchase and Sale Agreement to be executed. He also met the previous day with Mr. Stratton and Mr. DiCecco, their environmental staff, and contractors and engineers for demolition to finalize the plans for all the demolition work that needs to be done. That is being reviewed as well and will become a part of the Purchase and Sale Agreement. Mr. Bagley believes they are on the right track and things should move forward smoothly. He offered to answer any questions, but there were none.

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 was above the targeted average at over 43,000 tons. Mr. Bagley noted that diverted tons are down, which indicates that staff are acclimating to the new process and that WIN Waste has a good handle on what they are receiving. Commercial tons remain above the target of 18,000 tons, coming in at over 25,000 tons, which is expected due to increased contracts with Waste Management. Mr. Bagley also informed the Board that Bay Disposal has also approached SPSA about a commercial contract and Mr. Spain is working on those details. Total waste volumes are above target for the full year. Mr. Bagley noted that at the following month's meeting the Board will hear the final quarterly report for FY23 that will show these numbers.



7. CONTRACTS

Ms. Preston informed the Board that there were four new contracts that required a vote from the Board, all of which were part of the Fiscal Year 2024 Capital Replacement Plan budget and were being procured through Sourcewell Contracts. In continued efforts to improve efficiency,

staff was 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. She encouraged the Board to ask questions or seek clarification at any time.

The first two contracts were for Wheel Loaders, a replacement for the Chesapeake Transfer Station and an upgrade for the HHW and E-Waste program. Staff reevaluated total equipment needs and were able to work within budget constraints to make choices that best served the needs of overall operations. Mr. Leahy asked if there was air conditioning in the cabs of these loaders and Ms. Preston confirmed that there was. Mr. Love asked for more information on the Capital Replacement plan and Mr. Bagley elaborated on both the 5-year and 20-year plans which cover each piece of equipment and are consistently evaluated based on changing operational need and equipment use.

The other two contracts were to place a Compactor and a Wheel Loader into the Caterpillar Cat Certified Rebuild Program. After the proven success of a previous compactor rebuild, placing two more pieces of equipment into the program makes sense financially and operationally. Cat Machine Rebuild Program Manager, Mr. Chris Wood, was present to answer any questions. Chairman Baugh asked if Mr. Wood was facing any supply chain issues in the rebuild program. Mr. Wood responded that, like other vendors, Caterpillar has faced their share of challenges, but that they are seeing improvement and are purchasing the parts needed for rebuilds up front and housing them in their own warehouse to use on demand. Mr. Leahy asked about the completion time, savings, and how time out of service impacted operations. Mr. Wood estimated that most rebuilds take approximately 10 to 12 weeks and cost about 65% of the expense of a new piece of equipment. Mr. Bagley and Mr. Norman Strickland spoke to the operational impacts stating that to order a new piece of machinery would take longer than the rebuild time and that in the case of these particular pieces of equipment, they are already out of service so operations will not be impacted. Additional comments were made on the value of the program, such as the convenience of the new rebuild site, the grandfathering of rebuilt equipment for emissions components, and the full support of Caterpillar as the manufacturer, rather than simply a vendor supplying a service.

There were no further questions on any of the contracts.

New Contracts
FY24 Capital Replacement Plan

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Volvo L120H Wheel Loader (for CTS)

- Sourcewell Contract with McClung-Logan
- Budgeted at \$620,000
- Staff considered multiple options on the unit
- Cost of \$454,981
- Savings of \$165,019 applied to next equipment contract

Caterpillar 926M Wheel Loader (for HHW & E-Waste)

- Sourcewell Contract with Carter Machinery
- Budgeted at \$237,980 was for smaller equipment replacement
- Reassessment of operational needs determined more robust equipment was required and allowed for a more versatile fleet
- Cost of \$334,290.71 (\$107,310.71 difference) made up from savings on previous contract.

New Contracts
FY24 Capital Replacement Plan

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Caterpillar Certified Rebuild Program

A factory warranty of 3 years or 5,000 hours accompanies these purchases

836H Compactor Cat Certified Rebuild

- Sourcewell Contract with Carter Machinery
- Unit used at the Regional Landfill
- Budgeted at \$692,000
- Cost \$692,000

972H HL Wheel Loader Cat Certified Rebuild

- Sourcewell Contract with Carter Machinery
- Unit used at Norfolk Transfer Station
- Budgeted at \$327,500
- Cost \$327,387.96

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

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Grounds Maintenance		
Coastal Lawn Services	approx. \$78,000	3 rd of 4 Option Years
Solid Rubber Cutting Edges		
Rubberedge	approx. \$62,200	2 nd of 4 Option Years
RLF Security Services		
UAS, Gardaworld	\$85,524 budgeted	Cooperative Contract
Household Hazardous Waste		
MXI Environmental	approx. \$56,000	Cooperative Contract

Mr. Hansen moved, seconded by Ms. Jarratt, to authorize the Executive Director to award new contracts to McClung-Logan Equipment Company for a Volvo Wheel Loader, Carter Machinery for a Wheel Loader, and Carter Machinery for Caterpillar Certified Rebuilds for a Compactor and a Wheel Loader, as presented. Mr. McCoy abstained from voting on contracts related to the vendor Carter Machinery and voted in favor of the contract award to McClung-Logan Equipment Company. Aside from Mr. McCoy's abstention on the Carter Machinery contracts, the motion was adopted by a unanimous vote in favor.

8. COMPENSATION AND CLASSIFICATION STUDY PRESENTATION

Mr. Bagley reminded the Board that at the June Meeting, prompted by the Classification and Compensation Study Presentation, there were several questions regarding aging vacancies for SPSA job positions, as well as exit interview information from separating employees. Ms. Jasmin Walters, HR Manager, has researched and prepared that information to present to the Board to answer those questions and give better context to Ms. Arnold's report by highlighting the hiring challenges that SPSA faces, particularly for Operators, which make up 76% of SPSA's workforce.

Ms. Walters reviewed goals and successes in HR since her arrival at SPSA and noted the hiring obstacles that remain, such as low starting pay for Operators compared to regional competitors, complex working conditions, and rates of attrition. She concluded that the goal of the Classification and Compensation Study is that it can be a tool to be used by all of the member communities to help address the challenges being faced in all of the HR departments across the region.

Salary Study:
An HR Deeper Dive

**vacancy & retention
internal perspectives**




HR Overhaul

- Job Fairs, Farmer's Markets
- Community Partners
- Local Schools
- Expedited Hiring
- Surveying Employees
- Flyers and Literature
- Improved Culture and Morale
- Increased Training and Development



**We've had great
success in many
areas!**

Major Strides

Feedback from candidates and current staff has been positive.

- 1** Dramatic reduction in turnaround time from application to hire
- 2** Robust development of the IT Department and making the role of Scale Attendant competitive in the marketplace
- 3** Increased opportunities for growth and engagement
- 4** Engaging in this salary study has given employees a real sense that SPSA and the Board is truly invested in fair compensation for all staff



However...

Current Vacancies:

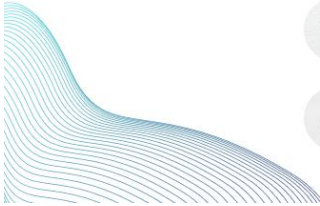
10
6 of which are Heavy Equipment Operators
3 of which are Transfer Vehicle Operators



Recruitment isn't easy but recruiting for other roles has not been nearly as difficult.



The Bottom Line



- 1** Operators make up 76% of SPSA's workforce.
- 2** It typically takes almost a year to fill an Operator vacancy. Those vacancies equate to overtime hours, lost vacation time and overworked employees.
- 3** We have not had a full slate of Operators since my arrival. In fact, not since Henry's return to SPSA in 2015.
- 4** 50 of SPSA's employees are eligible for retirement and over half are Operators.

Why Can't We Hire Operators?

SPSA's starting rate for Operators is one of the lowest on Indeed.*
Ads have to be opened before an applicant can see a benefits package.
Applicants can be paid more elsewhere with fewer qualifications.
Applicants can be paid more elsewhere and work in better conditions.



*Data shows most applicants come to SPSA through Indeed

Indeed Advertisement

Heavy Equipment Operator

Dragados USA, Inc
Virginia Beach, VA 23455
(US Navy Little Creek Amphibious Base area)

\$26 an hour Full-time

- May also operator other heavy equipment as needed.
- Load and move dirt and materials using heavy equipment.
- The Heavy Equipment Operator is primarily responsible...

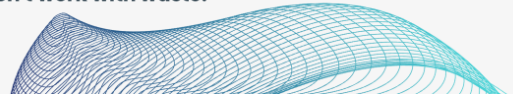
Posted 30+ days ago · More...

Typical Construction Salary in Hampton Roads: \$51,929

MIT

This is the number we are up against.

And most of these Operators don't work with waste.



We tried an experiment...

What Would Happen if we Posted the Range of Salary for Operators?

We have seen a lot more highly qualified candidates.



But it's not just hiring that's on our minds...

Attrition

FY 23 saw a loss of 36 employees

10 Retirements
8 Terminations
18 Voluntary Separations

1

5 reported leaving for better paying jobs.

2

8 reported they could not tolerate the working conditions.

3

5 remaining voluntary separations were for medical, personal, or relocation reasons.

Studies show that the new workforce is more strongly motivated by salary and work/life balance than by benefits.

Developing more thorough Exit Interview Strategy based on the survey from City of Virginia Beach.



Our Goal

We take our cues from our member communities, certainly, but the reason we are here is to serve our member communities.

We're hopeful that you can see this study as a beneficial tool for the whole region.

Mr. Sorey asked how SPSA deals with internal equity when advertising and sometimes hiring at higher than the minimum starting salary. Ms. Walters and Mr. Bagley both spoke about managing each hiring decision on a case-by-case basis and their dedication to focused communication with staff. When concerns were raised Mr. Bagley and Mr. Henry Strickland met with staff to discuss the need to attract more qualified candidates in order to help relieve the workload that staff is under. Salary is one tool in the toolbox to be able to do that, and it offers the opportunity not just to evaluate new applicants, but also the performance of existing employees who should have their rate of pay reconsidered based on merit. Mr. Keifer noted that some employees want to work overtime and asked if it was mandatory or voluntary. Mr. Bagley responded that, while SPSA prefers overtime be voluntary, sometimes it is mandatory because of the nature of the work. If a transfer station must be open to serve a community, it must have four people to operate safely and SPSA isn't staffed in such a way that people can regularly turn down overtime. Mr. McCoy agreed that one of the biggest problems facing local government is hiring qualified public works employees and warned that compression of salaries is a matter for careful consideration. Mr. Keifer suggested SPSA investigate starting an apprenticeship program for Transfer Vehicle Operators. Ms. Walters let him know that she and staff are already in communication with Tidewater Community College and other trade schools to try to partner with them on training and hiring programs, with potential scholarship opportunities.

With no further questions for Ms. Walters, Mr. Bagley reintroduced Ms. Kerri Arnold from the Newport Group. Ms. Arnold thanked the Board for having her back to present again. She commented that she had taken the feedback from the last meeting and was now ready to walk them through some changes to strategy based on that feedback. Her revised presentation focused on peer group data and regional market data, eliminating the national data that compared to the regional cost of living. She identified the jobs that were paid at below peer group levels and leveraged peer group analysis and published regional market reports to determine pay grade changes within the existing pay grade framework. She also reviewed the outlier Operator jobs discussed by Ms. Walters using peer and market group analysis and job complexity factors, and offered pay plan recommendations, employee pay adjustments, and next steps.



**Compensation Study
Results & Recommendations**

Board of Directors Meeting
July 26, 2023

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



July 2023 Agenda

To offer updated recommendations:



Project Objectives



Objectives

Comprehensive compensation study focusing on the regional market to support SPSA's ability to attract and retain key talent.

- Align pay program with SPSA's compensation philosophy, 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

Market Analysis – 2 Perspectives:

1. Peer Group Compensation Review (Salary Ranges)

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

2. Published Compensation Data Review (Market Rates)

- Updated to include only industry & local pay data

Employee Pay Analysis & Cost Model



Compensation Philosophy

Setting Pay Rates to the Competitive Local Labor Market



Competitive Labor Market		Competitive Positioning	
Industry:	Solid Waste Landfill & Local Public Sector	Directors & Managers	<ul style="list-style-type: none"> Aligned with local public sector & Member communities
Revenue:	\$52 Million		Staff
Employees:	Approximately 135	<ul style="list-style-type: none"> Consideration of private sector to attract & retain talent Job complexity 	
Geography:	Southeastern VA		
Peer Group Member Communities:	Small & Large Local Cities & Counties		

Updated Strategy & Approach

Direction from June 2023 Board Discussion

- ✓ Published reports market analysis revised to include only industry & local pay data
 - This data set includes public & private sector
 - Available to reference for recruitment & retention challenges

Strategy

- Keep current pay grade framework for staff & management
- Identify jobs paid below local public sector levels (peer group)
- Leverage peer group analysis & published reports analysis to determine pay grade changes

Jobs with Greatest Market Pay Gap

Staff Positions

Job Title	Current Grade	Current Midpoint	Peer Group Pay Ranges Analysis Midpoint	Comparison
Solid Waste Assistant	2	\$36,182	\$40,205	90%
Environmental Tech	3	\$39,801	\$42,902	93%
Mechanics Helper	2	\$36,182	\$43,761	83%
Preventative Maintenance Mechanic	4	\$43,781	\$50,331	87%

Job Title	Current Grade	Current Midpoint	Published Reports Analysis	Comparison
Heavy Equipment Operator	5	\$45,987	\$59,500	77%
Landfill Equipment Operator	6	\$51,397	\$62,400	82%
Transfer Vehicle Operator	6	\$51,397	\$56,300	91%

Recommendation – Pay Grade Increase (up 1 Grade)

Peer Group Analysis

Published Reports Market Analysis		
25th Percentile	50th Percentile	75th Percentile
\$52,300	\$59,100	\$68,800

SPSA Job Title	Pay Grade	Minimum	Midpoint	Maximum	Range Spread (Min to Max)
Heavy Equipment Operator	5	\$36,788	\$45,987	\$55,186	

Peer Organization	Peer Organization Job Title	Pay Grade	Minimum	Midpoint	Maximum	Range Spread (Min to Max)
City of Chesapeake	Equipment Operator II	GE07	\$41,948	\$54,532	\$67,116	60%
City of Franklin	Motor Equipment Operator III	108	\$35,410	\$44,270	\$53,129	50%
City of Norfolk Public Works Dept.	Equipment Operator II	7	\$37,440	\$49,234	\$61,027	63%
City of Portsmouth	Equipment Operator II	20	\$36,632	\$53,903	\$69,556	90%
City of Suffolk	Heavy Equipment Operator	207	\$39,891	\$51,320	\$62,748	57%
City of Virginia Beach	Heavy Equipment Operator	G.20	\$43,144	\$55,008	\$66,873	55%
Isle of Wight County	Heavy Equipment Operator I	106	\$31,856	\$41,867	\$51,879	63%
Southampton County	Utility System Operator II	22	\$33,536	\$42,758	\$51,981	55%
Average			\$37,482	\$49,112	\$60,539	62%
Comparison of SPSA Pay Range to Peer Group Average			98.1%	93.6%	91.2%	Average

Job complexity – operates several types of heavy & complex equipment, completes reports, interpersonal skills to interact effectively with the public.

Peer Group Analysis

Published Reports Market Analysis		
25th Percentile	50th Percentile	75th Percentile
\$50,800	\$58,700	\$68,200

SPSA Job Title	Pay Grade	Minimum	Midpoint	Maximum	Range Spread (Min to Max)
Landfill Equipment Operator	6	\$41,116	\$51,397	\$61,679	

Peer Organization	Peer Organization Job Title	Pay Grade	Minimum	Midpoint	Maximum	Range Spread (Min to Max)
City of Chesapeake	Equipment Operator II	GE07	\$41,948	\$54,532	\$67,116	60%
City of Franklin	Motor Equipment Operator III	108	\$35,410	\$44,270	\$53,129	50%
City of Norfolk Public Works Dept.	Equipment Operator IV	9	\$38,440	\$50,549	\$62,657	63%
City of Portsmouth	Equipment Operator I	19	\$35,223	\$50,793	\$64,838	84%
City of Suffolk	Refuse Equipment Operator	207	\$39,891	\$51,320	\$62,748	57%
City of Virginia Beach	Heavy Equipment Operator	G.20	\$43,144	\$55,008	\$66,873	55%
Isle of Wight County	Sanitation Equipment Operator	107	\$33,449	\$43,961	\$54,473	63%
Southampton County	(No job match seems available)	-	-	-	-	-
Average			\$38,215	\$50,862	\$61,891	62%
Comparison of SPSA Pay Range to Peer Group Average			107.6%	102.7%	100.0%	Average

Job complexity – operates several types of heavy & complex equipment to maintain & construct a landfill, maintain appropriate grade & compaction levels in all weather conditions.

Peer Group Analysis

Published Reports Market Analysis		
25th Percentile	50th Percentile	75th Percentile
\$49,600	\$54,000	\$60,300

SPSA Job Title	Pay Grade	Minimum	Midpoint	Maximum	Range Spread (Min to Max)
Transfer Vehicle Operator	6	\$41,116	\$51,397	\$61,679	

Peer Organization	Peer Organization Job Title	Pay Grade	Minimum	Midpoint	Maximum	Range Spread (Min to Max)
City of Chesapeake	Equipment Operator II	GE07	\$41,948	\$54,532	\$67,116	60%
City of Franklin	Motor Equipment Operator III	108	\$35,410	\$44,270	\$53,129	50%
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City of Suffolk	Refuse Equipment Operator	207	\$39,891	\$51,320	\$62,748	57%
City of Virginia Beach	Motor Equipment Operator III	G.19	\$41,089	\$52,389	\$63,688	55%
Isle of Wight County	Sanitation Equipment Operator	107	\$33,449	\$43,961	\$54,473	63%
Southampton County	(No job match seems available)	-	-	-	-	-
Average			\$38,123	\$50,132	\$61,910	63%
Comparison of SPSA Pay Range to Peer Group Average			107.9%	102.5%	99.6%	Average

Job complexity – Operates a tractor-trailer & requires Commercial A Driver's License

Jobs with Greatest Market Pay Gap

Management Positions

Job Title	Current Grade	Current Midpoint	Peer Group Pay Ranges Analysis Midpoint	Comparison
Environmental Manager	10	\$84,055	\$93,688	90%
Fleet Manager	10	\$84,055	\$94,037	89%
Heavy Equipment Manager	10	\$84,055	\$92,382	91%
Human Resources Manager	10	\$84,055	\$90,963	92%
Info Technology Manager	10	\$84,055	\$97,745	86%
Safety & Risk Manager	10	\$84,055	\$93,119	90%
Director of Administration	11	\$108,000	\$132,678	81%
Director of Finance	11	\$108,000	\$131,769	82%
Director of Operations	11	\$108,000	\$132,811	81%

Recommendation –
Managers - adjust Grade 10 Midpoint to \$90,000
Directors - move to Grade 12 & Midpoint to \$130,000

NEWPORT
AN ASCENT GROUP COMPANY

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2023 Pay Structure Recommendation

2.5% Range Movement & Management Ranges Aligned with Peer Group

Recommended 2023 Annual Salary Structure						
Grade	Minimum	1 st /2 nd Quartile	Midpoint	3 rd /4 th Quartile	Maximum	Range Spread
1	\$26,972	\$30,344	\$33,715	\$37,087	\$40,458	50%
2	\$29,669	\$33,378	\$37,087	\$40,796	\$44,504	50%
3	\$32,636	\$36,716	\$40,796	\$44,875	\$48,955	50%
4	\$35,900	\$40,388	\$44,875	\$49,363	\$53,850	50%
5	\$37,707	\$42,422	\$47,136	\$51,851	\$56,566	50%
6	\$42,144	\$47,413	\$52,682	\$57,951	\$63,221	50%
7	\$53,234	\$59,890	\$66,546	\$73,201	\$79,857	50%
8	\$56,960	\$64,082	\$71,204	\$78,326	\$85,447	50%
9	\$61,517	\$69,921	\$78,324	\$85,304	\$92,283	50%
10	\$72,000	\$81,000	\$90,000	\$99,000	\$108,000	50%
11	\$88,000	\$99,000	\$110,000	\$121,000	\$132,000	50%
12	\$104,000	\$117,000	\$130,000	\$143,000	\$156,000	50%

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Employee Pay Adjustments

Recommended Market Pay Adjustment Strategy

- Step 1.** Annual increase (July 1) modeled at 5%
- Step 2.** Adjust employee pay to range minimum
- Step 3.** Adjust within Range by years in position:
- Pay Grades 1-5, 3 years to Midpoint
 - Pay Grades 6-9, 5 years to Midpoint
 - Managers & Directors 7 years to Midpoint
 - Jobs with pay grade changes, adjust pay to 2nd Quartile for employees in position 3+ years
- Step 4.** Final Pay Adjustments reviewed and approved by Management

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Compensation Analysis Cost Summary

Step	Strategy	# Employees	Salary Cost
1	Annual Increase (July 1)	135	\$328,118 Modeled at 5%
Compensation Study Market Adjustments			
2	Adjust to New Pay Range Minimum	50	\$251,030 3.8%
3	Adjust within Pay Range Based on Years in Position	38	\$172,775 2.6%
4	Total Cost for All Compensation Adjustments (subtotal)	135	\$423,805 6.4%
	Benefits Cost		\$52,975 12.5%
	GRAND TOTAL		\$476,780

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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Thank you

Kerri Arnold, SHRM-SCP & SPHR, CCP
Principal, Compensation Consulting
Newport
Richmond, VA
Phone: 804-380-5376
kerri.arnold@newportgroup.com

www.newportgroup.com



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When looking at the Peer Group Range Analysis Spread, Mr. Bagley pointed out that the range spread across the peer groups goes from 50% up to 90% making it very difficult to compare an “average” salary midpoint. Discussions took place about the realities of the job market from one location to another and the unlikelihood of being able to recruit candidates across geographic boundaries. Continued conversation was held on remaining competitive with local private industry, as well as more in-depth comments on the complexity and challenge of working in a waste disposal environment. It was also noted that several of the member localities offer a stipend or similar incentive for CDL truck drivers that is not included as a part of these salary numbers. The strategy for employee pay adjustments was outlined as, after adjusting to bring every employee to their new pay range minimum, an estimated one-time adjustment for tenure based on years in position would be added, and then reviewed and adjusted again, as

necessary, by management. It was explained that the time bands used to estimate when an employee might reach midpoint were an exercise to anticipate budgeting numbers and not a system to apply as a rule moving forward.

Mr. Bagley reiterated that this is a large and important topic and that he was not asking the Board to vote on anything at that meeting, but to continue to reflect on the information presented and to reach out to him with any outstanding questions or concerns. Mr. Hansen asked if Mr. Bagley would be prepared to make a recommendation with a funding solution at the August Board Meeting. Mr. Bagley confirmed that he would be.

9. WRITTEN REPORTS


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

10. OTHER BUSINESS

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

11. ADJOURN MEETING

There being no further business to come before the Board of Directors, the regular meeting was adjourned at 11:30 a.m.



Dennis L. Bagley
Executive Director

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