



August 14, 2018

Memo to: Board of Commissioners

From: George Wood, Interim County Manager

Re: Ordinance Amending the Personnel Ordinance

Enclosed is an ordinance that would amend Buncombe County's Personnel Ordinance in four areas: 1) changing the ordinance so that the Finance Director is subject to the hiring and disciplinary actions as all other employees; 2) deleting the automatic COLA based upon the CPI; 3) adding a provision under disciplinary actions for performance related issues to allow dismissal for a first offense under certain circumstances; and 4) strengthening the independence of the internal audit director.

On the first issue, we are getting ready to hire a new Finance Director. So if we want to make this change, it would be helpful to do so before the hiring. The usual practice is that the Finance Director is supervised by the County Manager. In my view, that position should be subject to the hiring and disciplinary actions the same as all other employees. If the BOC wants to be involved in any decision to hire, you already have that authority under the statutes. If the BOC wants to be involved in any disciplinary action (including termination) you can so direct the manager. I don't think you have to have it in the Personnel Ordinance. County managers don't typically terminate a key employee like this without first notifying and discussing the reasons with the BOC anyway. For me that is standard practice.

The second issue is one I have discussed with you. Currently, your Personnel Policy states that whatever the Consumer Price Index is each December, that percentage increase **will be the COLA (cost of living adjustment)** that employees automatically receive in April of each year. I see several problems with this policy. The first is that this allows a previous BOC to dictate to you what the raises should be. You should be in charge of making this decision. Second, it takes away your discretion to take other factors into account before making that decision (such as the financial condition of the county and the general economic conditions at that time). Third, wage and salary increases are one of the largest expenditures each year, and you need the flexibility to deal with it as part of the overall annual budget process. The normal process is that the County Manager, as the County's Budget Officer, would include a recommendation on wage and salary adjustments in his/her annual proposed Budget for your consideration. Fourth, you are close to approving a new Personnel Classification and Compensation Plan. You currently have no system for annual employee performance evaluations, or a system of pay that could be tied to those evaluations. That leaves only a COLA as the method of pay adjustment. If you move to a merit-based pay system joined with an annual evaluation process, you will need to make some, or all, of a particular year's pay adjustments in the form of merit increases, not a COLA. I highly recommend that you move

to a merit-based system, and therefore this current COLA policy needs to be removed from the Personnel Ordinance.

The third issue deals with the authority to dismiss an employee on the first case of poor performance if it rises to a high level of impact. The current policy states that dismissal for poor performance can only occur if the employee has two previous write-ups and has a third one pending. I am recommending that you retain that language for less serious offenses, but add a provision that in the event that performance inadequacies are of such a serious nature that they create a major operational issue, significant financial impacts, damage to the reputation of the County, or are so egregious that they warrant immediate, more severe disciplinary action, the County Manager can take action up to and including dismissal for the first offense.

The fourth issue is to spell out that no disciplinary action can be taken against the internal audit director except by the County Audit Committee. This provides more protection from any sort of retaliation or harassment from any County official. That provides this position with the necessary independence to perform the job well. In light of recent indictments this is particularly critical.

Please call me if you have any questions or comments on this matter.

