

Minutes of Meeting
BDPA Salary Survey Update
June 4, 2013
3:00 p.m.

The Kootenai County Board of Commissioners: Chairman Todd Tondee, Commissioner Dan Green and Commissioner Jai Nelson met to discuss the following agenda items. Also present were BDPA Owners Andrea Fogleman and Bonnie Brazier, Solid Waste Director Roger Saterfiel, Elections Manager Carrie Phillips, Chief Deputy Clerk Pat Raffee, Major Dan Mattos, Sergeant Ryan Higgins, Parks and Waterways Director Nick Snyder, Interim Human Resources Director Wade Larson, Assessor Mike McDowell, Chief Deputy Assessor Richard Houser, Human Resources Specialist Christina Anderson, Treasurer Tom Malzahn, Prosecutor Barry McHugh, KCSO Personnel Technician Marcia Heglie, Civil Deputy Prosecuting Attorney John Cafferty, and Deputy Clerk Nancy Jones.

A. Call to Order: Chairman Tondee called the meeting to order at 3:02 p.m.

B. Introductions: There were no introductions made.

C. Changes to the Agenda: There were no changes made to the agenda.

D. Old Business: There was no old business discussed.

E. New Business:

BDPA Owners Bonnie Brazier and Andrea Fogleman came before the Board to present their initial Salary Survey findings. The Board indicated that they preferred to have time to review the findings prior to discussing any potential budget adjustments. Ms. Brazier explained that, once the findings were presented, they would also discuss various pay philosophies; however, that discussion would be for informational purposes only, with no recommendation to create a budget plan at this time.

Ms. Brazier detailed the information that was used to develop the report, and the processes used to obtain comparative information. Recommendations from the Kootenai County Position Review Committee (PRC), as well as job descriptions of 47 benchmark positions, were used as a starting point. These job descriptions were supplied to other entities, with a request to respond with salary and benefits data that correlated to similar positions within their organization. Ms. Brazier noted that no private sector companies had responded to their requests. As a result, the report was compiled from information received from nineteen (19) public entities from Idaho, Washington, and Montana. Information such as the size, salary range, pay plan variables, and industry types were noted as differentiating factors; however, the overall report was presented as being in line with identifiable and comparable market trends. Ms. Fogleman noted that the variables used for comparison are based on fluid data, but that at this time, the overall Kootenai County pay structure was found to be approximately 16.3% below the survey average. BDPA defined the market rate as the actual average salary paid to employees performing similar work in other organizations (or the salary that a County employee might reasonably expect to make if working for another employer in this area). While this finding is not indicative of low pay for all positions in the study, it suggests that compensation is not competitive, from a general standpoint, compared to the organizations that were surveyed.

Ms. Fogleman provided an explanation of various reports that were presented to the Board as supporting data for these preliminary findings. Benchmark positions were referenced individually in each report provided, which included separate pay scale, total compensation, and salary midpoint

evaluations. Ms. Fogleman described the factors and processes used to compare the available data, noting that for each position, primary job functions and minimum qualifications were compared, and that corresponding County data was used to calculate averages within each report. A minimum of three benchmark comparisons were required for each position, resulting in each report having a few positions that were not represented. Ms. Brazier explained that the compensation methodology used for their report comparisons is a recognized, scientific method, and is commonly utilized in surveys of this nature. Ms. Fogleman noted that the goal of a survey such as this one is to help develop a solid compensation plan that will be internally equitable and externally competitive.

In reviewing all summary findings, Ms. Fogleman stated that Kootenai County salary range minimums, on average, were found to be approximately 20.5% below the survey average, with maximum salary ranges approximately 11.6% below the survey average. Pay grade level analysis showed the largest market discrepancies with regard to positions incorporated in grades C through J. While multiple factors may account for these differences, the overall findings indicate that the current salary structure might benefit from review and realignment. Review of the overall compensation study indicated that the use of a self-funded healthcare plan appears to be beneficial, as insurance premiums for single-level employees was less than the survey average, and comparable for family coverage. Overall total compensation salaries for single level coverage employees were found to be approximately 17.37% below market average. Family level coverage total compensation was found to be approximately 12.61% below market ratio. Total compensation amounts, County-wide, were determined to be approximately 15.43% below market. The Board expressed concern that these numbers may not be entirely accurate, as the overall costs were derived from COBRA amounts. Ms. Brazier and Ms. Fogleman agreed to review these calculations, based on additional data, and include those findings in an updated report. In reviewing the next report, which focused on market comparisons of the salary midpoint for each benchmark position, Ms. Fogleman stated that the overall midpoint market ratio is approximately 18.5% below survey average. Ms. Fogleman then presented a final report, which analyzed data comparisons in relation to pay grade, noting that the report may be helpful in determining whether or not individual positions are properly categorized. Ms. Fogleman added that sudden adjustments to pay or to position categorization can skew internal equity. Therefore, she recommended a comprehensive review of the data prior to considering any adjustments, but she noted that the results did support an internal structure realignment. Ms. Fogleman suggested that a redesign of the structure could be based on the survey data, factoring in the internal pay philosophy, and implemented over time.

At the Board's direction, Ms. Fogleman gave a presentation on four common pay philosophies: the "Step in Grade" system, the "Pay Matrix" system (as currently used by Kootenai County), a combination system, and a "Target Approach" system. Ms. Fogleman explained similarities and differences between these philosophies, as well as the benefits and drawbacks of each system, particularly noting market norms, and issues relating to competitiveness and budgetary concerns.

Chairman Tondee spoke about the performance review structure, and explained how raises have historically been issued throughout the County. Ms. Brazier acknowledged that processes associated with employee reviews and raises are a common issue in County government settings. However, Ms. Brazier suggested that use of firm guidelines (with open ranges) can provide consistency, and may alleviate issues that arise from the autonomous nature of the various departments. Ms. Brazier noted that budget trends currently indicate that, statewide, most employers in the State of Idaho are anticipating minimum raises of approximately three percent for Fiscal Year 2014.

Commissioner Nelson requested generation of an additional report that eliminates data from Washington and Montana, to allow for comparisons of only Idaho data. Chairman Tondee stated that he was aware of several private sector companies that would be willing to supply data for use in this study, and that he would contact Ms. Brazier with contact information for those entities. Ms. Brazier and Ms. Fogleman agreed to update the reports with the requested information (including review of the insurance premiums), and stressed the importance of acknowledging that the information provided is still preliminary at this time.

- F. Staff Reports:** There were no staff reports.
- G. Public Comment:** This section is reserved for citizens wishing to address the Board regarding a County related issue. There was no public comment.

The meeting was adjourned at 4:02 p.m.

Respectfully submitted,

CLIFFORD T. HAYES, CLERK

BY: _____
Nancy A. Jones, Deputy Clerk