Minutes of Meeting
Salary Survey Methodology and Implementation
September 5, 2013
4:00 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 HR Consultant Wade Larson, Assessor Michael McDowell, Prosecutor Barry McHugh, Clerk Clifford Hayes, Financial Director David McDowell, Treasurer Tom Malzahn, Chief Deputy Assessor Richard Houser, Sheriff Ben Wolfinger, Major Dan Mattos, Undersheriff Travis Cheney, Incoming HR Director Skye Reynolds, and Deputy Clerk Nancy Jones.

A. **Call to Order:** Chairman Tondee called the meeting to order at 1:00 p.m.

B. **Introductions:** Chairman Tondee introduced Ms. Skye Reynolds as the incoming Kootenai County Human Resources Director. Ms. Reynolds detailed her qualifications and professional history with the group.

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:**

Mr. Larson explained that the purpose of the meeting was to discuss options and considerations with regard to the BDPA Salary Survey. Having reviewed the corresponding report recommendations, Mr. Larson had drafted six broad options that he felt might best serve the needs of the County. These options included:

1. Do nothing to the system itself this year, but disburse merit pay and/or bonuses.
2. Incorporate 100% of BDPA's recommendations.
3. Do a partial implementation of BDPA's recommendations.
4. Do nothing at all.
5. Freeze salaries for a few months, to allow time for study and appropriate pay adjustments.
6. Distribute a portion for merit, with the balance to be used for equity adjustments over the year.

Mr. Larson acknowledged that some positions were readjusted by the Position Review Committee (PRC) after submission to BDPA, resulting in a handful of positions that were incorrectly assessed within the report. Mr. Larson therefore suggested inclusion of a ten percent (10%) variance, to address this issue. Mr. Larson went on to review the two (2) options that BDPA had outlined within their survey recommendations. The first option would involve adoption of an amended pay plan, with increases to employees who are currently being paid below the range minimum. The cost of this option would be approximately $415,000 (without consideration of the benefits fringe load). The second option would encompass the first recommendation, with the addition of a pay adjustment of up to one percent (1%) for any employee whose current rate is at or below the proposed market rate. Option two had an estimated total cost of nearly $740,000 (including fringe load). Mr. Larson noted that, under the implementation of option one, 301 employees would receive salary increases.

Mr. Larson summarized the advantages and disadvantages of the BDPA recommendations, noting that the full scope of those suggestions included pay range adjustments for a handful of positions that were previously reviewed and assigned by the internal Position Review Committee (PRC). Prosecutor Barry McHugh commented that the benchmark positions used in the survey should only have been reassessed

if all positions were reviewed, which was not the case. Mr. Larson agreed with this opinion, although Chief Deputy Assessor Richard Houser noted that those changes might have been market driven. In response to a concern raised by Assessor Michael McDowell, Mr. Larson acknowledged that the primary basis of the BDPA Survey was derived from general market information, and that longevity and individual market variances were not taken into consideration. The group discussed how the efficacy of the report was affected by the lack of private sector information (which was not available for comparison in the survey). Together, they worked to define what information should be used to characterize a comparative market to Kootenai County. Sheriff Ben Wolfinger stated his opinion that a competitive market should include any area that commonly draws employees from the County. Mr. Larson shared his opinion that it would be difficult to effect much change prior to the start of FY2014. Further, he presented his base recommendation, which would include taking time to evaluate the data and address specific concerns and questions prior to moving forward with corrective pay structure actions (following above options one, five, or six).

Chairman Tondee acknowledged the importance of creating a true pay philosophy. Clerk Clifford Hayes inquired as to the accuracy of the deputy pay ranges, but Mr. Larson stated that he could not speak to that subject. The group discussed longevity considerations and bonus options for merit acknowledgement. Treasurer Tom Malzahn stated his opinion that fixing the structure is the first step to creating a long term, viable pay system within the County, noting that annual adjustments would be necessary to maintain internal equity. The Board verified that the $540,000 that would be used to institute pay adjustments would address only a restructure of the pay scales, and that additional funds would be needed to fund the matrix, as a whole.

Potential timing of a restructure was discussed, and Ms. Reynolds shared her thoughts that it might be more effective to review the internal structure first, and to use that as a foundation to change the scale. Assessor McDowell felt that creating a consistent policy that would regulate movement through the pay range was crucial. Sheriff Wolfinger spoke regarding the importance of merit standardization, with regard to employee evaluations and management training. Finance Director David McDowell reminded the attendees that when the Hay Plan was instituted, it included a Cost of Living Adjustment (COLA) component, but that it failed over time because it was not funded. Chairman Tondee noted that those on the higher end of the pay levels would likely not receive pay raises this fiscal year, under this process. Assessor McDowell recommended using the available funds for merit raises, allowing for time to analyze the data more thoroughly, and to then determine the best way to move forward with a new pay structure and philosophy. Mr. McHugh also showed approval of this suggestion. The Board explained that the Department Heads had shown support of readjusting the pay ranges as a first step in this process. The Board asked each Elected Official to follow up by polling their Department Heads and Supervisors regarding this issue. Another meeting would be scheduled in about a week, in order to discuss that employee feedback.

F. Staff Reports: There were no staff reports.

The meeting was adjourned at 2:39 p.m.

Respectfully submitted,

CLIFFORD T. HAYES, CLERK

BY:_____

Nancy A. Jones, Deputy Clerk