

Minutes of Meeting
Salary Survey Methodology and Implementation
September 10, 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 Assessor Michael McDowell, Chief Deputy Assessor Richard Houser, Prosecutor Barry McHugh, Clerk Clifford Hayes, Chief Deputy Clerk Pat Raffee, Finance Director David McDowell, Treasurer Tom Malzahn, Sheriff Ben Wolfinger, Undersheriff Travis Cheney, Major Dan Mattos, Major Neal Robertson, Coroner Deb Wilkey, Civil Deputy Prosecuting Attorney John Cafferty, and Deputy Clerk Nancy Jones.

A. Call to Order: Chairman Tondee called the meeting to order at 3:16 p.m.

B. Introductions: There were no introductions.

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:

The attendees gathered for continuing discussion regarding the implementation of a pay scale reorganization. Chairman Tondee reminded those present that they had been asked, at a previous meeting, to conduct a poll of their employees and report those results to the Board.

Sheriff Ben Wolfinger stated that he had not conducted a poll because he felt that the alternatives available needed to have total cost information attached, in order to paint a full picture for his employees. Therefore, he had worked with his staff to gather financial information regarding the issue. Sheriff Wolfinger stated that their research indicated that funding the deputy matrix and the 9-1-1 matrix, adjusting the pay scale, and implementing a comprehensive one percent (1%) pay adjustment (as indicated in the BDPA Survey), would cost a total of \$866,796 (including the benefit load, calculated at thirty percent). This would provide a pay increase for the 9-1-1 staff, the sworn officers, and 301 other County employees, with a balance of approximately \$65,000 available to fund bonuses or merit pay.

Treasurer Tom Malzahn reiterated his opinion that establishing a set pay philosophy needs to be a priority, with adjustment of the pay structure a solid first step of that change. Mr. Malzahn was in support of re-establishing a 'step plan' structure for all employees. The Board was not amenable and indicated that the focus should remain on improving the established pay structure.

Assessor Michael McDowell detailed the discussion he had with the managers in his department. Mr. McDowell indicated that his employees were in support of using available funds to issue annual merit raises, allowing the Board time to fully review varied pay structure options prior to implementation. Mr. McDowell hoped the Board would commit to a defined pay philosophy and structure in time for FY2015. Mr. McDowell stated his opinion that cost-of-living increases were not as important as a focus on maintaining competitive market wages. Further, Mr. McDowell emphasized his strong support for a philosophy that would directly address a fair and reasonable system for movement through the pay scale, as well as address the challenge of rewarding long-term employees who are at the top of their pay scale.

Clerk Clifford Hayes stated that he received a wide range of suggestions from the managers in his five (5) departments. Mr. Hayes spoke in favor of adjusting the pay scale, but suggested that an implementation date of January 1, 2014, might be a reasonable time period for employees to wait for their pay adjustments, while still allowing time for research, planning, and execution of the new structure. Mr. Hayes stated that sixty-one percent (61%) of his employees would receive wage adjustments through execution of the plan that was recommended by BDPA. Finally, Mr. Hayes agreed with the idea that a consistent and detailed philosophy should be drafted, to clearly delineate how employees move through the pay scales. Mr. Hayes acknowledged that, while it would take time to bridge the gap between County compensation and competitive market wages (as described by BDPA), a three (3) to five (5) year plan should be feasible.

Chairman Tondee noted that the County has held a merit-based philosophy for some time. Chairman Tondee wondered whether evaluations were being used efficiently or consistently in the distribution of merit raises, and recognized that the merit pool must be sufficiently funded in order for the merit system to be effective.

Prosecutor Barry McHugh agreed that implementation of a more consistent pay philosophy would be helpful; however, he noted that process will take some time to perfect. Further, Mr. McHugh stated that he struggled with supporting the immediate structure adjustment because it would result in many of his senior staff receiving little or no wage adjustment this year. For these reasons, Mr. McHugh was in support of distributing the available wage adjustment funds equally, prior to funding the sworn officer adjustments, with implementation of the pay structure modifications to be planned over the next two (2) to three (3) years. Mr. McHugh stressed that attaining a market-competitive pay structure would be an ongoing budgetary issue.

Major Dan Mattos expressed concern about addressing pay philosophy without a component that addresses inflation/cost-of-living, stating that merit increases are less beneficial as a management tool when wages remain uncompetitive with the market average.

Finance Director David McDowell explained that the previous County pay philosophy, under the Hay Plan, called for two small wage adjustments that could be utilized each year, in order to help maintain competitive wages. However, employees whose wages were at or above market levels received merit increases only. Mr. McDowell felt that this plan, if properly utilized and funded, could act as an effective long-term plan. Further, Mr. McDowell noted that adjustments would not have to be funded in a single fiscal year, and could instead be implemented in steps. In response to questions from Chairman Tondee, Mr. McDowell also clarified that the Board could also consider initiating wage adjustments in December or January, in order to allow additional planning time. However, he requested that merit and corrective (pay structure) wage adjustments take effect as of the date of implementation, and not be distributed retroactively (to the start of FY2014).

The attendees debated the benefits and drawbacks associated with a step pay matrix, and discussed the importance of standardized evaluation methods. The Board expressed concern about encumbering future Boards with defined wage policies; however, most of the attendees felt that having those policies in place would provide direction for, rather than restrict, future budgetary decisions. The Board asked Finance Director McDowell to work with Human Resources Consultant Wade Larson in order to conduct an analysis of the implementation costs that were reported by BDPA. In addition, Mr. McDowell was to draft a report with various enactment alternatives for the pay structure adjustment, including detailed cost analysis and timelines for each option.

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 4:36 p.m.

Respectfully submitted,

CLIFFORD T. HAYES, CLERK

BY: _____
Nancy A. Jones, Deputy Clerk