

TO: County Board Members
FROM: Mike Collard, Director of Administration
DATE: March 17, 2023
RE: Resolution 206-032023, Compensation Study



Resolution 206-032023, on the agenda for the March 21 meeting, is our primary step toward implementing the compensation plan study recommendations from McGrath and Associates. The resolution was adopted by the Personnel & Finance Committee on March 2, and presented to the Board at the special orders meeting on March 7.

Since that time, the County Executive, Executive Assistant, Director of Human Resources, and I have conducted over a dozen employee meetings with groups at different buildings throughout the county. We have heard a lot of great feedback from employees, which has given us a much better understanding of what we need to do to make the best possible changes to our compensation system. We have also heard a lot of great feedback from Board members, at the special orders meeting as well as in discussions since that time.

After considering this feedback, we would like the Board to consider a substitute amendment to the resolution as originally presented. This substitute amendment, with the compensation schedule attached, will be made available on the County web site today. Supervisor Cox, as chair of Personnel & Finance, has indicated his intent to make a motion to amend by adopting the substitute amended resolution.

The substitute amendment will change five things:

1. Technical Corrections to the Compensation Schedule

Dr. McGrath created the proposed compensation schedule before it was decided to make slotting adjustments to employees' pay based on the comp ratios. As a result, the pay ranges were not consistent with respect to the comp ratios. One outcome is that many employees noticed some top of ranges were decreasing under the proposed pay schedule, which is not desirable.

We have corrected the pay ranges so that they reflect consistent comp ratios. This changes the minimums, top of A, top of C, and maximums of each grade, in most cases by small amounts. The resulting schedule provides much more consistent slotting, and compared to our existing schedule every minimum and every maximum will be going up. All of the control points, however, are staying exactly as originally recommended by Dr. McGrath.

2. Raising the County's Minimum Wage to \$16.03

As originally proposed, the compensation schedule left the minimum pay rate for the lowest graded positions (grade 56) unchanged at \$15.31. Since there was originally an 11% gap between the two lowest grades, however, we can raise the lowest grade without causing undue compression between grades. We are proposing a 5% lift to grade 56. This will increase our county minimum wage to slightly above \$16 per hour.

3. Increasing Slotting Below the Control Point to Reduce Compression

The resolution provides a series of floors, based on years in the position, which will be used to slot employees at an appropriate level for an employee with that experience. As originally proposed, there is only one floor below the control point, which would move employees with three or four years of experience to the top of range A. Above the control point, generally there are floors provided every two years up to a maximum of 21 or more.

This would provide too much compression among the more junior employees. For example, pay for an employee with 2.5 years in the position might be increased to the new minimum, but that would be the same pay offered to a new hire later in the year.

We are seeking to amend this schedule of target pay rates, or floors, so that each year of experience up to 5 will have a separate slotting level. Five years will still end up at the control point, and years one through four will end up with a little higher floor each year. This will reduce compression in the hiring range of each grade, maintain a pay difference between employees having a couple years' experience compared with new hires, and provide more raises to employees in the lower end of the pay grade

4. Granting the Anniversary Earned in 2023

We are asking for all employees to have their years in position be based on whatever anniversary earned in 2023. This way, we are crediting all employees for the date they will have in this year and not penalize someone just missing the cut. We believe it is the fairest way to address this issue.

5. Recognizing the Impact of Recent Promotions of Long-term Employees

Feedback from employees alerted us to a problem affecting employees who have accepted promotions recently. Because of the slotting, which is based on years of service in the employee's current position, some employees would actually be paid more under the current proposal if they had declined a recent promotion. County policy has long been to always have at least a 5% pay incentive to take a promotion to a higher-graded position, and it is important to maintain that incentive.

Under the potential amendment, employees who earned a promotion since January 1, 2020, will receive the larger of (1) the adjustment they would have earned by staying in the previous position with a minimal promotion increase of 5%, or (2) the reslotting formula under the original proposal.