



GOODHUE COUNTY MINNESOTA

TO EFFECTIVELY PROMOTE THE SAFETY, HEALTH, AND WELL-BEING OF OUR RESIDENTS

COMMITTEE OF THE WHOLE AGENDA

COUNTY BOARD ROOM
GOVERNMENT CENTER
RED WING, MN

FEBRUARY 15, 2022
12:00 P.M.

Virtual Meeting Notice

Due to concerns surrounding the spread of COVID-19, it has been determined that in-person meetings or meetings conducted under Minn. Stat. 13D.02 a are not practical or prudent. Therefore, meetings that are governed by the Open Meeting Law will temporarily be conducted by telephone or other electronic means pursuant to Minn. Stat. 13D.021.

The Goodhue County Board of Commissioners will be conducting a Committee of the Whole meeting pursuant to this section on February 15, 2022 at 12:00 p.m. in the County Board Room. The County Administrator and/or County Attorney will be present at the meeting location. All County Commissioners attending will appear by telephone or other electronic means. The public may monitor the meeting from a remote site by logging into <https://global.gotomeeting.com/join/876245669> or calling 1 866 899 4679 OR 1 571 317 3116 any time during the meeting.

Access Code: 876-245-669

12:00 P.M. Compensation Study - Final Report

Documents:

1 - FINAL BOARD PRESENTATION - 2.15.22.pdf



GOODHUE COUNTY MINNESOTA
TO EFFECTIVELY PROMOTE THE SAFETY, HEALTH, AND WELL-BEING OF OUR RESIDENTS

Market Analysis Final Report



DDA
Human Resources, Inc.
a David Drown Associates Company

Dr. Tessia Melvin

Leads Practice Area

Worked 15 years in city and county governments
Former city administrator

Received Doctorate in Public Administration

David Drown Associates

Nearly 20 years of
experience working
with cities and
counties in
Minnesota

With staff having
practical experience
in the public sector,
we understand local
government

We have worked with
over 450 government
clients

We base our business
on our clients'
needs. We expanded
to include HR to
assist our clients

2021 Pay Grid

	Step											
Grade	1	2	3	4	5	6	7	8	9	10	11	12
C/R	0.8	0.84	0.88	0.92	0.96	1	1.04	1.06	1.08	1.1	1.12	1.14
76	14.32	15.06	15.75	16.47	17.24	17.92	18.63	19.02	19.32	19.73	20.10	20.52
77	15.23	16.04	16.78	17.56	18.31	19.08	19.84	20.22	20.59	20.98	21.39	21.79
78	16.38	17.23	18.00	18.83	19.64	20.46	21.30	21.70	22.13	22.53	22.99	23.43
79	17.85	18.76	19.64	20.52	21.41	22.31	23.21	23.66	24.11	24.54	25.01	25.54
80	19.60	20.56	21.50	22.53	23.49	24.48	25.46	25.95	26.41	26.92	27.48	28.00
80.5	20.19	21.22	22.21	23.23	24.25	25.28	26.27	26.76	27.25	27.78	28.34	28.93
81	21.67	22.74	23.84	24.91	26.00	27.11	28.16	28.73	29.27	29.82	30.40	31.04
82	24.03	25.22	26.41	27.61	28.83	30.02	31.20	31.85	32.42	33.01	33.68	34.33
83	26.69	27.99	29.35	30.68	31.97	33.32	34.67	35.34	36.02	36.65	37.40	38.14
84	27.63	29.02	30.40	31.82	33.19	34.55	35.94	36.61	37.33	37.99	38.75	39.53
85	30.02	31.54	33.02	34.54	36.04	37.52	39.03	39.78	40.56	41.30	42.14	42.96
86	32.84	34.45	36.11	37.76	39.40	41.02	42.68	43.52	44.34	45.15	46.04	46.99
87	36.13	37.93	39.75	41.54	43.34	45.16	47.44	49.71	51.96	54.20	55.27	56.40
88	39.33	41.33	43.29	45.25	47.21	49.19	51.66	54.10	56.56	59.03	60.17	61.39
89	41.33	43.37	45.47	47.50	49.57	51.67	53.48	56.82	59.43	61.97	63.23	64.50
90	48.16	50.57	52.98	55.38	57.79	60.18	63.19	66.25	69.23	72.22	73.68	75.14
91	53.84	56.55	59.22	61.92	64.63	67.31	70.70	74.03	77.43	80.78	82.39	84.02

Identified Issues

- ▶ Multiple Pay Grids
- ▶ In Merit System, but pay above wages
- ▶ Multiple merit wages for job positions in the same grade
- ▶ Under Market positions
- ▶ Recruitment and Retention Issues
- ▶ Unions that are doing their own market analysis
- ▶ Pay Equity systems should be calibrated in consistent system

2021 Pay Grid

- ▶ 17 Grades
 - ▶ Spread between grades is inconsistent ranging from 3.268% to 16.47%
 - ▶ No jobs at 76-78
- ▶ Pay Range
 - ▶ Ranges vary from 43% - 56%
 - ▶ Benchmark average ranges are 38%
- ▶ Pay between Steps
 - ▶ Currently has 12 steps
 - ▶ Starts out at 4% increase until year 6, then 2%
 - ▶ Grades 87-91 receive higher step increases on steps 7-12 than other grades
- ▶ Review Pay Philosophy
 - ▶ Currently slightly above average minimum rates and more than 5% over maximum rates
 - ▶ Most counties have less than 12 steps

Goodhue County Goals

- ▶ One pay grid
 - ▶ Currently have multiple grids
 - ▶ Currently pay grades differently (percentages between steps are not the same)
- ▶ Desire to Pay at market or above
- ▶ Reduce Compression Issues

Completed Work

Area of Scope	Completed
Market Analysis on all job descriptions	Did market analysis on all jobs using all benchmarks Did market analysis on all jobs using selected benchmarks
Create proposed pay grids based on pay philosophy and Board discussions	Had more than four board meetings to discuss and determine pay philosophies
Create payroll implementation 2 options	Created 4 options
Job Evaluations	Evaluation of specific job descriptions
Review pay equity with our proposed plan	Review pay equity during the process with several options

Complete Classification and Compensation Market Analysis

Initial Project Meeting

County reviewed several jobs and changed classifications

Market Analysis

Provide Preliminary Analysis

Re-Calibrate Pay Grid and Provide Cost Analysis

Final Report

Ongoing Maintenance

Market Analysis: How do you decide what benchmarks to use?



Benchmarks

Dodge

Fillmore

Freeborn

Goodhue

Houston

Mower

Olmsted

Rice

Steele

Wabasha

Winona

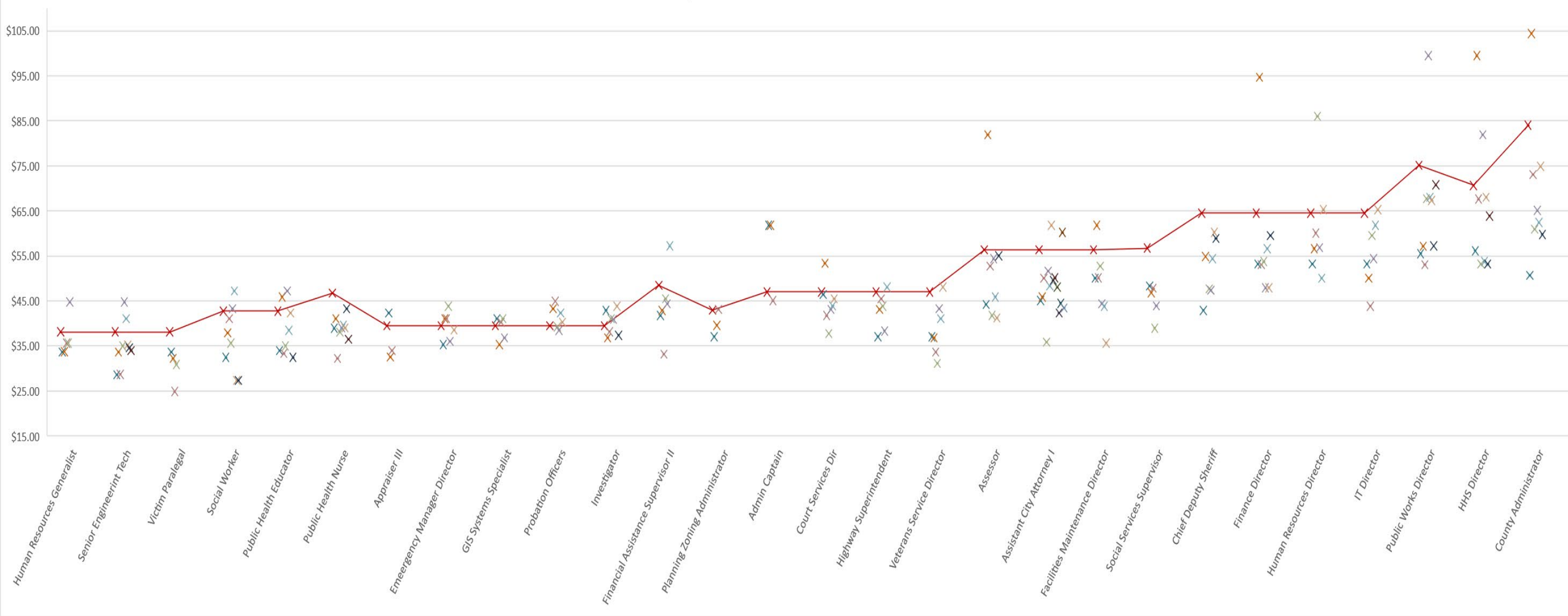
Concerns with Benchmarks

- ▶ Does not include some counties that border, like Dakota
- ▶ We are close for employees to drive to Metro Counties
- ▶ Should we set pay philosophy above our benchmarks
- ▶ As part of the study, we analyzed data by only looking at Rice and Olmsted Counties to compare the current benchmark and pay philosophy
- ▶ Not all counties have similar reporting structures
- ▶ We look at like positions with similar budgets, staffing and etc.
- ▶ Sometimes we recommend a pay grid that pays higher than the average market to account for these positions that are outliers to most county positions

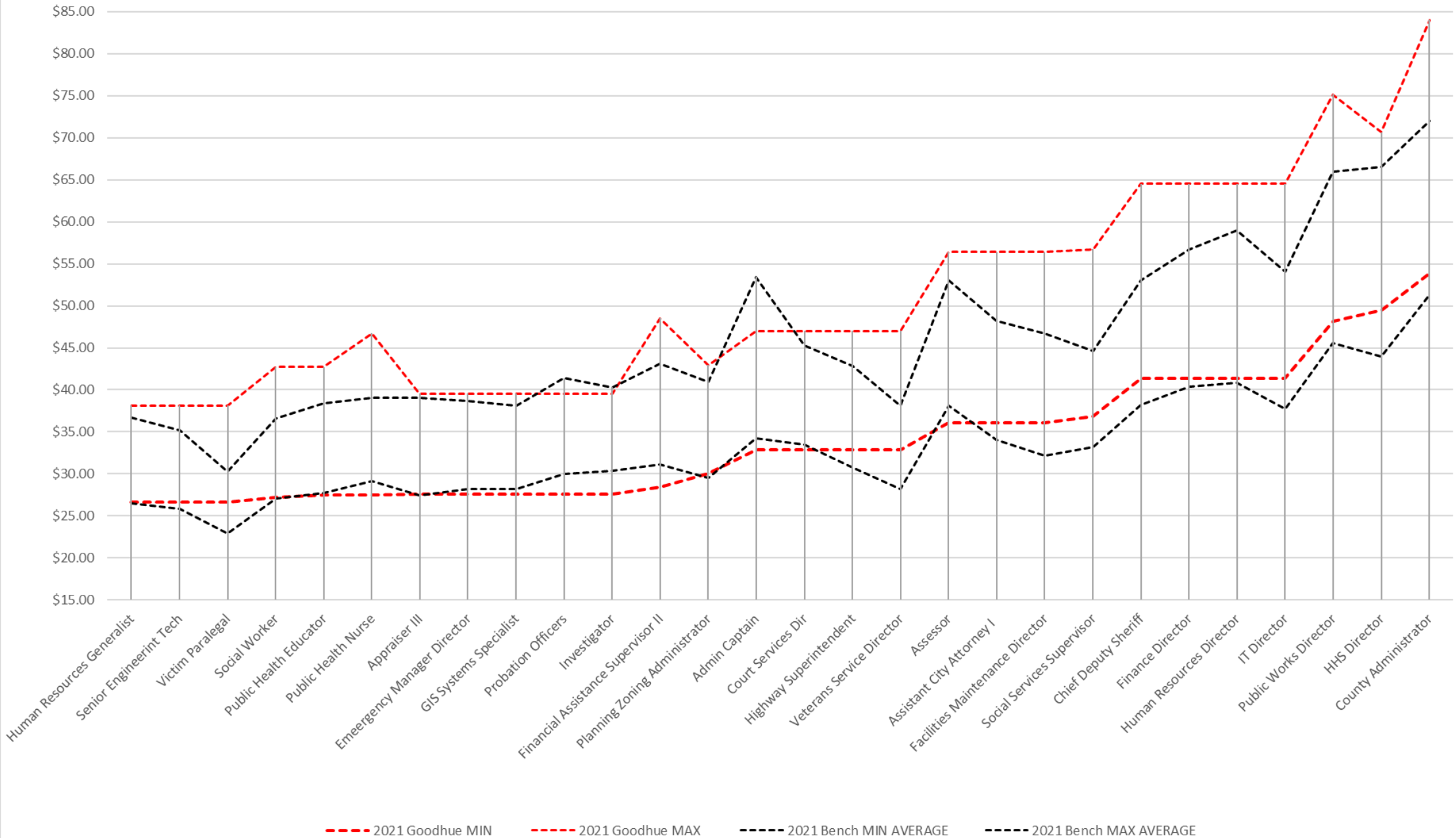
Job Title	Grade	2021 Goodhue MIN	2021 Goodhue MAX	2021 Bench MIN AVERAGE	2021 Bench MAX AVERAGE	Min % of Bench Min	Max % of Bench Max
Administrative Assistant	79	\$17.85	\$25.54	\$18.71	\$25.05	95%	102%
Records Specialist	79	\$17.85	\$25.54	\$18.86	\$25.36	95%	101%
Maint Facilities Technician I	80	\$19.60	\$28.00	\$18.35	\$24.52	107%	114%
Office Support Specialist Sr.	80M	\$19.91	\$26.14	\$20.41	\$27.69	98%	94%
Accounting Technician	80M	\$19.93	\$28.45	\$21.15	\$28.72	94%	99%
Detention Deputy	80.5	\$20.19	\$28.93	\$22.48	\$30.54	90%	95%
Dispatcher	80.5	\$20.19	\$28.93	\$21.66	\$27.93	93%	104%
Admin Accounting Assistant	81	\$21.67	\$31.04	\$19.62	\$26.11	110%	119%
Highway Equipment Operator	81	\$21.67	\$31.04	\$21.36	\$27.96	101%	111%
Legal Secretary	81	\$21.67	\$31.04	\$20.89	\$27.99	104%	111%
Sign Technician	81	\$21.67	\$31.04	\$21.29	\$27.65	102%	112%
Solid Waste Technician	81	\$21.67	\$31.04	\$19.61	\$24.65	110%	126%
Case Aide	81M	\$21.75	\$30.58	\$20.26	\$27.33	107%	112%
Highway Mechanic	82	\$24.03	\$34.33	\$23.55	\$31.31	102%	110%
HR Payroll Analyst	82	\$24.03	\$34.33	\$24.47	\$32.92	98%	104%
Facility Maintenance Supervisor	82	\$24.03	\$34.33	\$25.43	\$35.69	94%	96%
Child Support Officer	82M	\$24.23	\$34.13	\$22.66	\$30.00	107%	114%
Eligibility Worker	82M	\$24.40	\$34.13	\$22.42	\$30.00	109%	114%
Dispatch Sergeant	83	\$25.42	\$36.32	\$27.44	\$38.67	93%	94%
Registered Nurse	83M	\$26.22	\$44.68	\$28.05	\$37.50	93%	119%
Accountant II	83	\$26.69	\$38.14	\$27.03	\$37.83	99%	101%
Admin Office Manager	83	\$26.69	\$39.53	\$27.62	\$38.02	97%	104%
Appraiser II	83	\$26.69	\$38.14	\$24.98	\$33.99	107%	112%
Deputy I - Partol	83	\$26.69	\$38.14	\$27.06	\$36.29	99%	105%
Dispatch Sergeant	83	\$26.69	\$38.14	\$27.75	\$37.32	96%	102%
Exec Admin Assistant I	83	\$26.69	\$40.79	\$23.55	\$32.61	113%	125%

Job Title	Grade	2021 Goodhue MIN	2021 Goodhue MAX	2021 Bench MIN AVERAGE	2021 Bench MAX AVERAGE	Min % of Bench Min	Max % of Bench Max
Human Resources Generalist	83	\$26.69	\$38.14	\$26.50	\$36.70	101%	104%
Senior Engineerint Tech	83	\$26.69	\$38.14	\$25.81	\$35.15	103%	108%
Victim Paralegal	83	\$26.69	\$38.14	\$22.95	\$30.31	116%	126%
Social Worker	84M	\$27.23	\$42.73	\$27.03	\$36.61	101%	117%
Public Health Educator	84M	\$27.50	\$42.73	\$27.77	\$38.42	99%	111%
Public Health Nurse	84M	\$27.50	\$46.71	\$29.15	\$39.01	94%	120%
Appraiser III	84	\$27.63	\$39.53	\$27.40	\$39.02	101%	101%
Emeergency Manager Director	84	\$27.63	\$39.53	\$28.16	\$38.65	98%	102%
GIS Systems Specialist	84	\$27.63	\$39.53	\$28.22	\$38.12	98%	104%
Probation Officers	84	\$27.63	\$39.53	\$29.98	\$41.39	92%	96%
Investigator	84	\$27.63	\$39.53	\$30.37	\$40.28	91%	98%
Financial Assistance Supervisor II	85M	\$28.45	\$48.52	\$31.14	\$43.12	91%	113%
Planning Zoning Administrator	85	\$30.02	\$42.96	\$29.50	\$40.92	102%	105%
Admin Captain	86	\$32.84	\$46.99	\$34.23	\$53.44	96%	88%
Court Services Dir	86	\$32.84	\$46.99	\$33.49	\$45.33	98%	104%
Highway Superintendent	86	\$32.84	\$46.99	\$30.76	\$42.84	107%	110%
Veterans Service Director	86	\$32.84	\$46.99	\$28.24	\$38.14	116%	123%
Assessor	87	\$36.13	\$56.40	\$38.09	\$53.05	95%	106%
Assistant City Attorney I	87	\$36.13	\$56.40	\$34.04	\$48.22	106%	117%
Facilities Maintenance Director	87	\$36.13	\$56.40	\$32.18	\$46.75	112%	121%
Social Services Supervisor	87M	\$36.88	\$56.75	\$33.19	\$44.61	111%	127%
Chief Deputy Sheriff	89	\$41.33	\$64.50	\$38.19	\$53.02	108%	122%
Finance Director	89	\$41.33	\$64.50	\$40.34	\$56.73	102%	114%
Human Resources Director	89	\$41.33	\$64.50	\$40.88	\$59.00	101%	109%
IT Director	89	\$41.33	\$64.50	\$37.71	\$54.08	110%	119%
Public Works Director	90	\$48.16	\$75.14	\$45.53	\$65.91	106%	114%
HHS Director	90M	\$49.52	\$70.65	\$44.00	\$66.50	113%	106%
County Administrator	91	\$53.84	\$84.02	\$51.31	\$71.98	105%	117%
AVERAGE PERCENTAGE OF MARKET :	>>>					103%	111%

Goodhue County Maximum vs Benchmark Maximums



2021 Pay Range Average Comparison



Market Analysis

Market Comparison

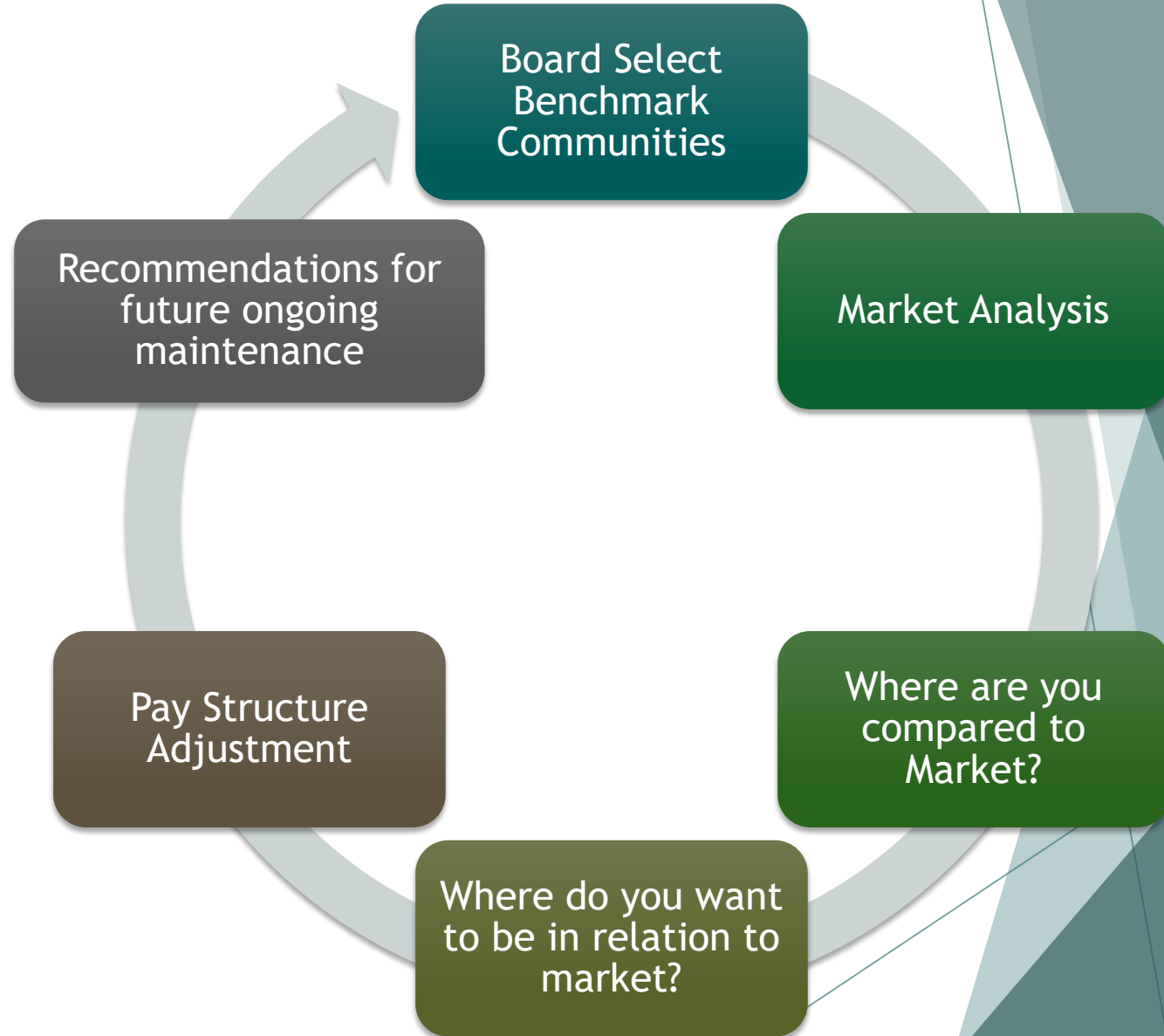
- ▶ For each position the percentage difference has been calculated between the County's figure and the market
- ▶ If the figure is:
 - Positive (+) : Figure indicates that the County pays above the market
 - Negative (-) : Figure indicates that the County pays below the market
- ▶ The following guidelines are used when determining the competitive nature of current actual compensation:
 - ▶ +/- 5% (Highly Aligned with the market)
 - ▶ +/- 10% (Aligned with the market)
 - ▶ +/- 11-15% (Possible misalignment with the market)
 - ▶ > 15% (Significant misalignment with the market)

Market Data - Base Salary

Why is +/- 10% Considered the Market?

- ▶ While there is nothing definitive around the 10% value, using that as a baseline will allow the organization to encompass employees who are all fully skilled at their job but may be paid at different rates for various reasons.
- ▶ Differences could be due to some of the following factors:
 - ▶ Past Performance
 - ▶ Time in the job
 - ▶ Differences in skills
 - ▶ Amount of responsibility
 - ▶ Previous experience
 - ▶ Higher certification level

Competitive Pay Analysis



Pay Grid Calibration

- ▶ Updated Job Descriptions
- ▶ Internal Equity
- ▶ Pay Equity
- ▶ Job Classifications
- ▶ Market Analysis



Classification Structure: Hay System

1. Know How: Education, Experience and Supervision

2. Problem Solving: Thinking Challenge and Thinking Environment

3. Accountability: Job Impact on End Results

4. Working Conditions

Job Classification

1

Only work content is considered.

2

Factors, such as performance or how long the employee has been in the job, are not included in evaluation of job.

Results of Actions

What we did	What we fixed	New issues that are created
1. Evaluate and change jobs	Re-evaluated and Fixed: <ul style="list-style-type: none">• Sergeant Position• Major• Facilities Maintenance Supervisor• Investigator Positions• Eliminated grade 80.5• Adjusted grade 79 positions	Compression of wages, did not change all, more will want job re-evaluated, arbitration, inequities

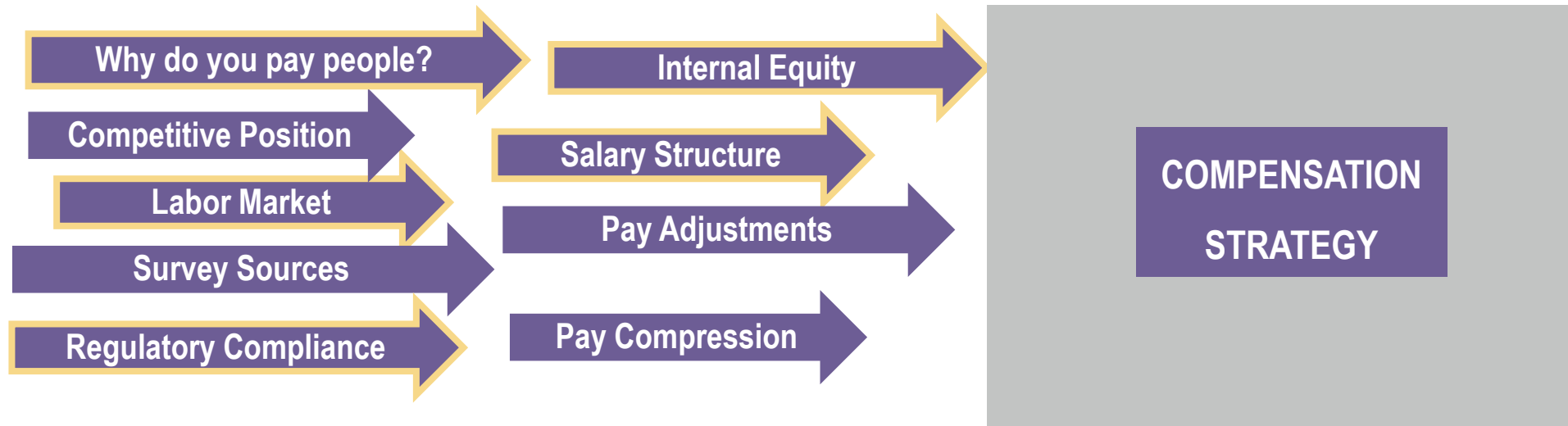
Things to consider

What is County's pay philosophy?

Move Health and Human Services to same grid

Pay Philosophy

- ▶ To achieve your goals, consider the following factors when designing a Pay Philosophy:



- ▶ Where does the County want to pay compared to the market? Some places want their pay to be right at market (usually the median or 50th percentile of the market, while others want to be a bit above or a bit below.

Issues to answer with pay philosophy

- ▶ You are in the Merit System, but pay above merit wages
- ▶ You have multiple pay grids for HHS, why not at least create one for HHS and have a consistent classification system for all jobs
- ▶ You pay HHS differently than county employees
- ▶ Reduce your wage spread
 - ▶ Currently you have an average of 48% spread between minimum and maximum rates
 - ▶ Currently have multiple spreads
 - ▶ Moved to 55% spread for all positions
 - ▶ Benchmarks have an average of 37% spread
 - ▶ The large wage range spread can lead to compression issues between grades

Salary Structure Design

▶ Salary Ranges

- ▶ A salary range is the range of pay established by employers to pay employees performing a particular job or function
- ▶ Salary ranges have a minimum pay rate, a maximum pay rate, and a midpoint
- ▶ The salary range is determined by conducting a market analysis

Salary Structure Design

▶ Salary Range Width

- ▶ This is the distance between salary range minimum and maximum.
- ▶ Range width varies widely by organization due to different compensation philosophies
- ▶ Some organizations have a philosophy of not allowing any employees to fall outside the salary range and will increase the structure to accommodate them, others want a very narrow range to minimize pay differences

Salary Structure Design

- ▶ Once the data is collected, we use it to create a salary structure for the entire organization.
- ▶ The structure has a series of salary ranges and those ranges are based on how the County evaluates the job internally and the market information that was collected.
- ▶ There are usually several jobs in a salary range and that means that those jobs, while performing vastly different duties, are viewed by the County as being roughly at the same level.

Adjust Pay Grades 76-86

	Steps											
	80%	84%	88.00%	92.00%	96.00%	100.00%	104.00%	108.00%	112.00%	116.00%	120.00%	124.00%
Current Band Grade	1	2	3	4	5	6	7	8	9	10	11	12
76	\$16.11	\$16.92	\$17.73	\$18.53	\$19.34	\$20.14	\$20.95	\$21.75	\$22.56	\$23.37	\$24.17	\$24.98
77	\$16.92	\$17.77	\$18.61	\$19.46	\$20.30	\$21.15	\$22.00	\$22.84	\$23.69	\$24.53	\$25.38	\$26.23
78	\$17.77	\$18.65	\$19.54	\$20.43	\$21.32	\$22.21	\$23.10	\$23.98	\$24.87	\$25.76	\$26.65	\$27.54
79	\$18.65	\$19.59	\$20.52	\$21.45	\$22.39	\$23.32	\$24.25	\$25.18	\$26.12	\$27.05	\$27.98	\$28.91
80	\$19.59	\$20.57	\$21.55	\$22.53	\$23.50	\$24.48	\$25.46	\$26.44	\$27.42	\$28.40	\$29.38	\$30.36
81	\$22.62	\$23.75	\$24.89	\$26.02	\$27.15	\$28.28	\$29.41	\$30.54	\$31.67	\$32.80	\$33.94	\$35.07
82	\$24.89	\$26.13	\$27.37	\$28.62	\$29.86	\$31.11	\$32.35	\$33.60	\$34.84	\$36.08	\$37.33	\$38.57
83	\$27.37	\$28.74	\$30.11	\$31.48	\$32.85	\$34.22	\$35.59	\$36.96	\$38.32	\$39.69	\$41.06	\$42.43
84	\$30.39	\$31.90	\$33.42	\$34.94	\$36.46	\$37.98	\$39.50	\$41.02	\$42.54	\$44.06	\$45.58	\$47.10
85	\$32.51	\$34.14	\$35.76	\$37.39	\$39.02	\$40.64	\$42.27	\$43.89	\$45.52	\$47.14	\$48.77	\$50.39
86	\$35.11	\$36.87	\$38.62	\$40.38	\$42.14	\$43.89	\$45.65	\$47.40	\$49.16	\$50.91	\$52.67	\$54.43

Cost Option 1

- ▶ Give all employees COLA of 2.25% on January 1
- ▶ Move employees not maxed out into the system on their anniversary date into new grid
 - ▶ 14 employees maxed out
 - ▶ Will not receive what could have in old system
 - ▶ Did not adjust entire pay grid

Proposed Structure Cost			
Updated Goodhue County Total EE Budget:	\$23,756,639.00		
Total Payroll Cost:	\$757,163.80	Cost to Implement:	\$227,447.00
Budget Cost Increase:	3.29%		
Total Employees Receiving Increase:	329		
Total Employees Above Proposed Max:	14		

Remaining Issues

- ▶ HHS Pay Grid
- ▶ AFSCME and Teamsters: Negotiate new pay grid with 2023 contract
- ▶ Grades 87-91
- ▶ Move non-union employees onto new grid
- ▶ Jobs that were re-evaluated require a grade movement
- ▶ Ongoing maintenance
- ▶ Move to a consistent classification system: HHS classifications are based on a separate system than the other County Jobs

Suggested grid for Grades 87-91

	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12
87	\$37.92	\$39.82	\$41.71	\$43.61	\$45.51	\$47.40	\$49.30	\$51.20	\$53.09	\$54.99	\$56.88	\$58.78
88	\$41.18	\$43.24	\$45.30	\$47.36	\$49.42	\$51.48	\$53.54	\$55.60	\$57.66	\$59.72	\$61.78	\$63.84
89	\$43.35	\$45.51	\$47.68	\$49.85	\$52.02	\$54.18	\$56.35	\$58.52	\$60.68	\$62.85	\$65.02	\$67.19
90	\$50.43	\$52.95	\$55.48	\$58.00	\$60.52	\$63.04	\$65.56	\$68.08	\$70.61	\$73.13	\$75.65	\$78.17
91	\$55.98	\$58.78	\$61.58	\$64.38	\$67.18	\$69.98	\$72.78	\$75.57	\$78.37	\$81.17	\$83.97	\$86.77

Next Steps

- ▶ Update HHS Job Descriptions and evaluate them
- ▶ Process to implement pay grid changes
- ▶ Maintain Pay Grid

Why not just do a better job of maintaining the plan?

We maintain our highways annually, so that expensive reconstruction is avoided.

We maintain our vehicles, so they perform better and last longer.

We maintain our buildings.

Why not our Salary plans?

Ongoing Maintenance

- ▶ Review 1/3 of job descriptions each year
 - ▶ Have employees and supervisors complete Position Review Form
 - ▶ Update job descriptions
- ▶ Conduct market analysis annually
 - ▶ Ensure that pay grid is calibrated competitively
 - ▶ Ensure that pay grid is calibrated in accordance to pay equity using one classification system
 - ▶ Make minor adjustments to keep competitive pay, be financially responsible and prepare for the future

Ongoing Maintenance

- ▶ Perform Pay Equity test
- ▶ Report Salary Information
- ▶ Write and Job Descriptions
- ▶ Maintain Classification System with its integrity
- ▶ Maintain Pay Grid



Questions