



Goodhue County

Minnesota

COMMITTEE OF THE WHOLE AGENDA
COUNTY BOARD ROOM
GOVERNMENT CENTER
RED WING, MN

MARCH 7, 2023
10:00 A.M.

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 276 576 382 344
Passcode: zmoDwo

Or call in (audio only)

[+1 872-240-8960,,41406386#](#)

Phone Conference ID: 414 063 86#

Pay Strategies - Dr. Tessia Melvin

Documents:

[Pay Strategies.pdf](#)



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

Committee of the Whole



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

Kelly Jones

Project Coordination and Talent Management experience

Experienced technical analyst and compensation consultant

Bachelor of Arts degree in Psychology and his Master of Science degree in Industrial and Organizational Psychology

Our Team

Mark Goldberg

George Gmach

Roxanne Chmielecki

Melanie Ault

David Drown

David Drown Associates

Nearly 30 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.

Project Scope

- ▶ 2022: Market Analysis
- ▶ 2022: Addressed some job classifications
- ▶ 2022: Recalibrated grid
- ▶ 2023: Ongoing Maintenance
 - ▶ Review 1/3 of job descriptions (87-91 and HHS)
 - ▶ Review and update job descriptions
 - ▶ Review current classifications (Jailers, Appraisers, Engineering Technicians and Nurses)
 - ▶ Market Analysis
 - ▶ Pay Equity
 - ▶ AMC/LMC Salary Data
 - ▶ HR Assistance
 - ▶ Job writing and classification
- ▶ 2024: Move out of Merit?

What we achieved from our initial Intentions

- ▶ One pay grid **(did not achieve)**
 - ▶ Currently have multiple grids (County and multiple HHS)
 - ▶ Currently pay grades differently (percentages between steps are not the same)
- ▶ **Eliminate 80.5 (fixed 7 job positions) (achieved)**
- ▶ Reduce Compression Issues **(did not achieve)**
 - ▶ **Managers are leaving positions and returning to line work due to compression of scale**

Goal for 2023



Address compression, create more grades



Try to get into one pay
grid



Address grades 87-91



Review entry level pay



Review targeted jobs

A compensation program is a structured pay plan that is used to:

- Assist in the attraction of the most qualified professionals available.
- Retain talented employees.

A pay plan is developed through:

- Job descriptions
- Pay equity of job descriptions (hierarchy of jobs)
- Market analysis of base pay
- Market definition influenced by industry, size, geographic location, and tax capacity
- Pay philosophy

Compensation/pay philosophy is set by the Board:

- Influenced by industry, size, geographic location and tax capacity
- Includes objectives and statement of where organization wants to be in relation to market

Pay Equity

- ▶ Reviews each position comp worth, does not include market data
 - ▶ Classification of Job: Determined by the job description and evaluation system
 - ▶ Compensation: Determined by market, Board and pay grid
- ▶ County must pass every three years, or loss of County Program Aid
- ▶ Can you make market adjustments?
 - ▶ One time fix, but impacts the rest of pay equity
 - ▶ Depends on male or female dominated positions

Current Classification and Compensation Systems

Haye System Classification System



County Positions under one grid/ HHS under several grids



County passes pay equity

Currently underpayment ratio is low

This fluctuates by male or female incumbents in positions (Ex. Change in County Manager)

County has some jobs that are compressed internally

Concerns with Current System continued

County is not fully competitive with benchmarks and industry (last pay grid adjustment impacted less than half) (ex: CDL licenses and pay)

Labor shortage

Entry level retail pay has increased to \$20-\$24 per hour

Compression issue with staff and supervisors. No incentive to become a supervisor.

Reality of Current System if continued

Reality of current system: lost 13 appraisers in last 10 years



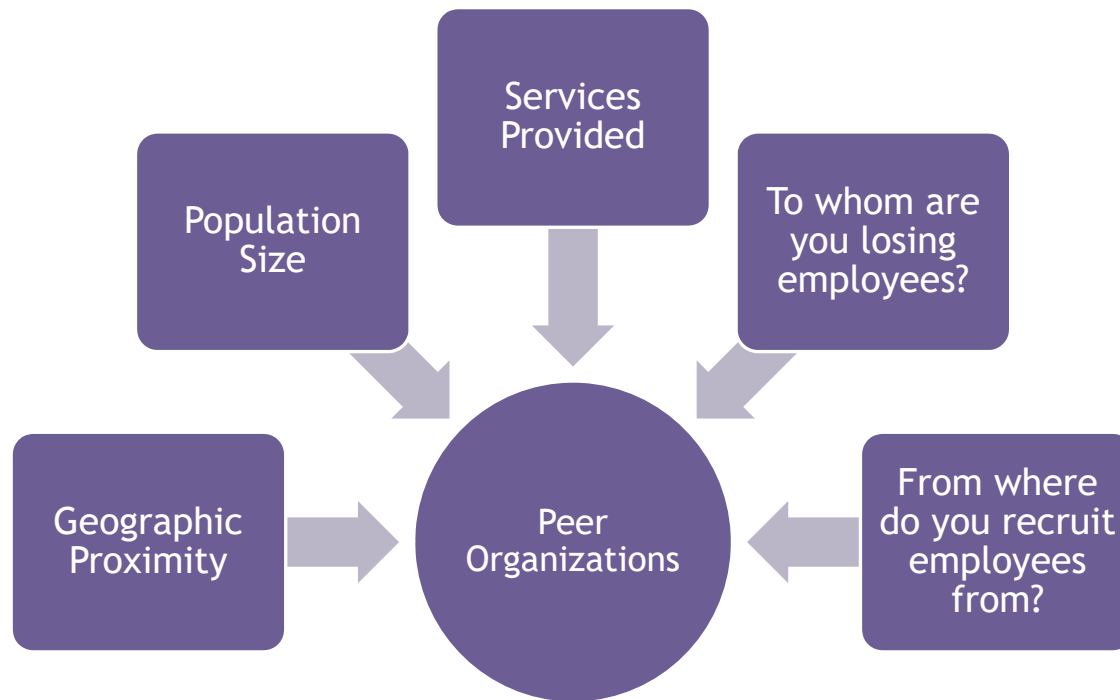
Few applicants when open position



Positions open much longer than past

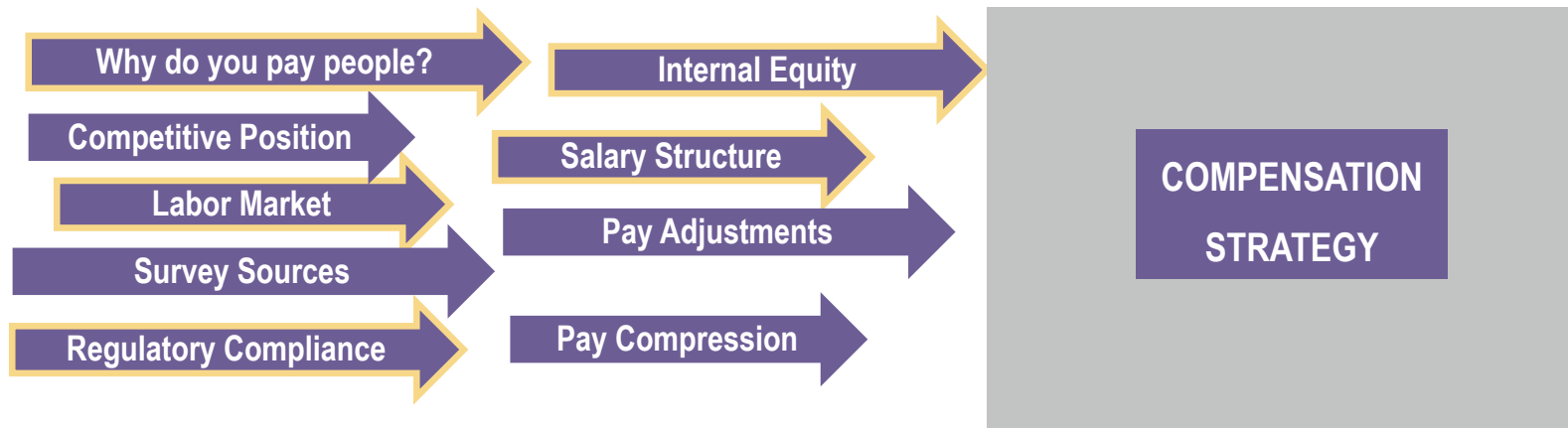
Market Analysis

- ▶ DDA has partnered with the County to select a group of cities/counties with whom they compete for talent. Here are some factors that were considered when selecting this group:



Pay Philosophy

- ▶ To achieve their goals the County must consider the following factors when designing a Pay Philosophy:



Pay Philosophy



Where does County Want to be? How do they pay employees?



Establishing comp worth both internal and external based on your market



Based on work performance



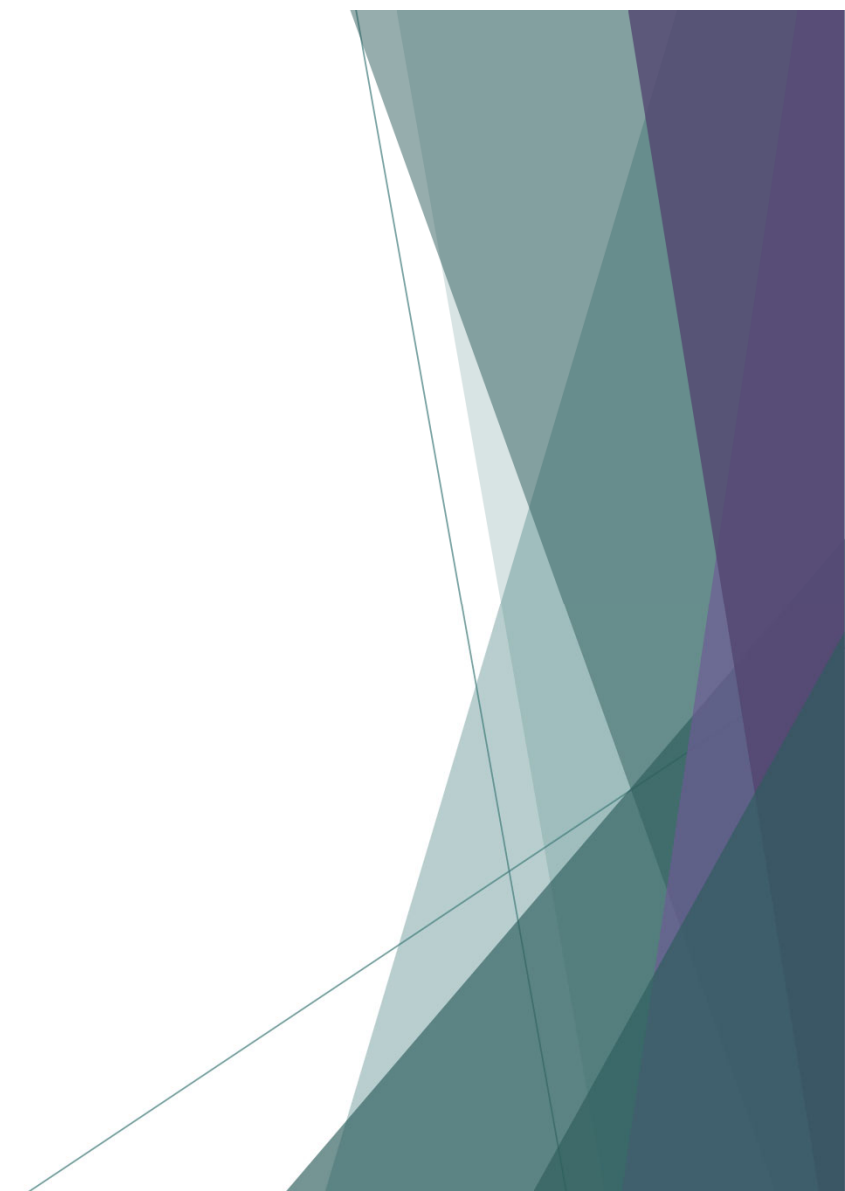
Comply with Pay Equity



Provide Transparency in communicating to employees

Benchmarks

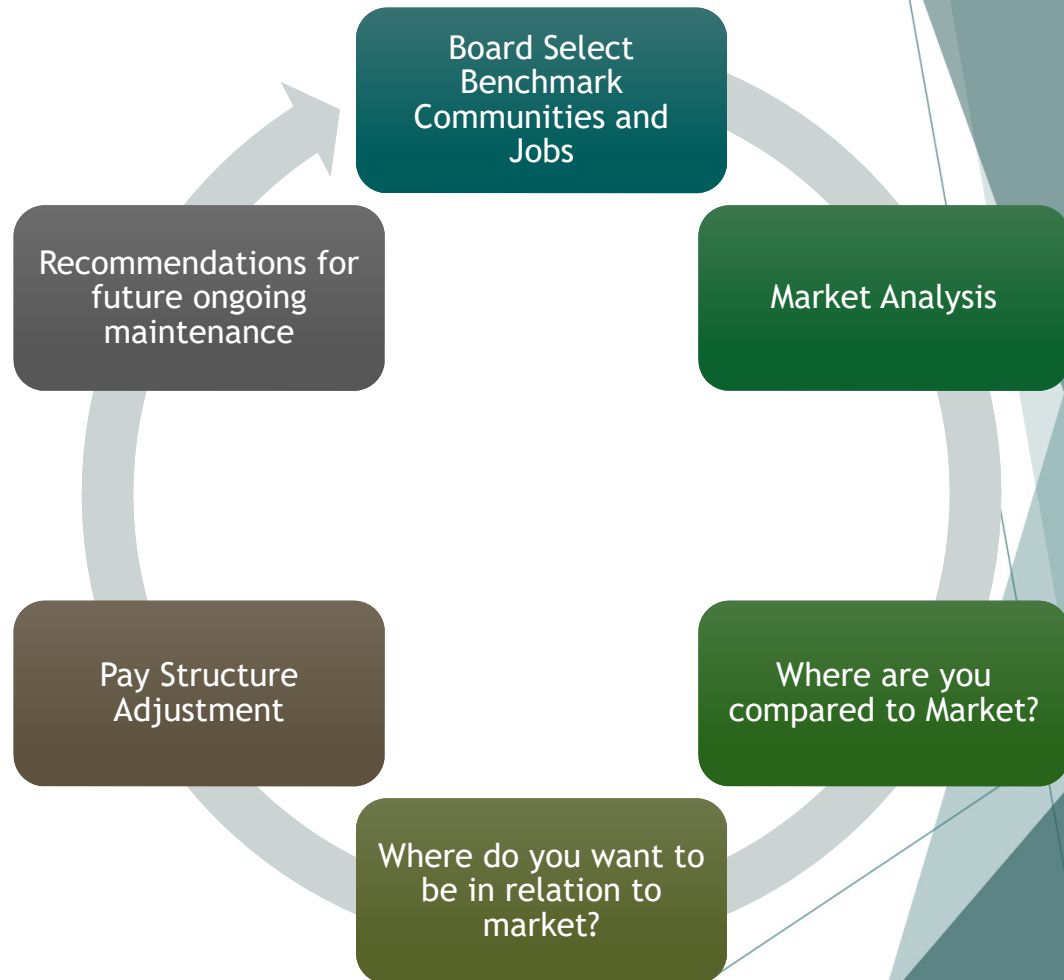
- ▶ Dodge
- ▶ Fillmore
- ▶ Freeborn
- ▶ Goodhue
- ▶ Houston
- ▶ Mower
- ▶ Olmsted
- ▶ Rice
- ▶ Steele
- ▶ Wabasha
- ▶ Winona



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
- ▶ The counties we use are the counties arbitration group so our labor attorney is really firm on not deviating from that.
- ▶ Can you use the benchmark group, but set pay philosophy to 90th percentile, or top 1/3 of benchmark group?

Competitive Pay Analysis



Things to consider

Increase number of grades

Maintain same steps or decrease

Pay all employees the same, or maintain difference for upper management

Reduce spread between minimum and maximum rates

What is County's pay philosophy?

Example: Reduce Steps 1 and 2

	1	2	3	4	5	6	7	8	9	10	11	12
1	\$14.09	\$14.79	\$15.50	\$16.20	\$16.91	\$17.61	\$18.32	\$18.67	\$19.02	\$19.37	\$19.73	\$20.08
2	\$14.92	\$15.67	\$16.41	\$17.16	\$17.91	\$18.65	\$19.40	\$19.77	\$20.15	\$20.52	\$20.89	\$21.26
3	\$16.01	\$16.81	\$17.61	\$18.41	\$19.21	\$20.01	\$20.81	\$21.21	\$21.61	\$22.01	\$22.41	\$22.81
4	\$17.46	\$18.33	\$19.21	\$20.08	\$20.95	\$21.83	\$22.70	\$23.14	\$23.57	\$24.01	\$24.44	\$24.88
5	\$19.15	\$20.11	\$21.06	\$22.02	\$22.98	\$23.94	\$24.89	\$25.37	\$25.85	\$26.33	\$26.81	\$27.29
6	\$19.78	\$20.76	\$21.75	\$22.74	\$23.73	\$24.72	\$25.71	\$26.20	\$26.70	\$27.19	\$27.69	\$28.18

	1	2	3	4	5	6	7	8	9	10	11	12
1	\$15.50	\$16.20	\$16.91	\$17.61	\$18.32	\$18.67	\$19.02	\$19.37	\$19.73	\$20.08	\$20.68	\$21.30
2	\$16.41	\$17.16	\$17.91	\$18.65	\$19.40	\$19.77	\$20.15	\$20.52	\$20.89	\$21.26	\$21.90	\$22.56
3	\$17.61	\$18.41	\$19.21	\$20.01	\$20.81	\$21.21	\$21.61	\$22.01	\$22.41	\$22.81	\$23.50	\$24.20
4	\$19.21	\$20.08	\$20.95	\$21.83	\$22.70	\$23.14	\$23.57	\$24.01	\$24.44	\$24.88	\$25.63	\$26.40
5	\$21.06	\$22.02	\$22.98	\$23.94	\$24.89	\$25.37	\$25.85	\$26.33	\$26.81	\$27.29	\$28.11	\$28.95
6	\$21.75	\$22.74	\$23.73	\$24.72	\$25.71	\$26.20	\$26.70	\$27.19	\$27.69	\$28.18	\$29.03	\$29.90

Example: Add 5 more grades

	12											
	1	2	3	4	5	6	7	8	9	10	11	12
1	\$14.09	\$14.79	\$15.50	\$16.20	\$16.91	\$17.61	\$18.32	\$18.67	\$19.02	\$19.37	\$19.73	\$20.08
2	\$14.92	\$15.67	\$16.41	\$17.16	\$17.91	\$18.65	\$19.40	\$19.77	\$20.15	\$20.52	\$20.89	\$21.26
3	\$16.01	\$16.81	\$17.61	\$18.41	\$19.21	\$20.01	\$20.81	\$21.21	\$21.61	\$22.01	\$22.41	\$22.81
4	\$17.46	\$18.33	\$19.21	\$20.08	\$20.95	\$21.83	\$22.70	\$23.14	\$23.57	\$24.01	\$24.44	\$24.88
5	\$19.15	\$20.11	\$21.06	\$22.02	\$22.98	\$23.94	\$24.89	\$25.37	\$25.85	\$26.33	\$26.81	\$27.29
6	\$19.78	\$20.76	\$21.75	\$22.74	\$23.73	\$24.72	\$25.71	\$26.20	\$26.70	\$27.19	\$27.69	\$28.18
7	\$21.21	\$22.27	\$23.33	\$24.39	\$25.45	\$26.51	\$27.57	\$28.10	\$28.63	\$29.16	\$29.69	\$30.22
8	\$23.49	\$24.67	\$25.84	\$27.02	\$28.19	\$29.37	\$30.54	\$31.13	\$31.71	\$32.30	\$32.89	\$33.48
9	\$26.07	\$27.37	\$28.68	\$29.98	\$31.29	\$32.59	\$33.89	\$34.54	\$35.20	\$35.85	\$36.50	\$37.15
10	\$27.04	\$28.39	\$29.74	\$31.09	\$32.44	\$33.79	\$35.15	\$35.82	\$36.50	\$37.17	\$37.85	\$38.53
11	\$29.35	\$30.82	\$32.29	\$33.75	\$35.22	\$36.69	\$38.16	\$38.89	\$39.62	\$40.36	\$41.09	\$41.83
12	\$32.09	\$33.70	\$35.30	\$36.91	\$38.51	\$40.12	\$41.72	\$42.53	\$43.33	\$44.13	\$44.93	\$45.74
13	\$35.33	\$37.10	\$38.87	\$40.63	\$42.40	\$44.17	\$46.37	\$48.58	\$50.79	\$53.00	\$54.10	\$55.21
14	\$38.49	\$40.41	\$42.34	\$44.26	\$46.19	\$48.11	\$50.52	\$52.92	\$55.33	\$57.73	\$58.94	\$60.14
15	\$40.43	\$42.45	\$44.47	\$46.49	\$48.51	\$50.53	\$53.06	\$55.58	\$58.11	\$60.64	\$61.90	\$63.16
16	\$47.08	\$49.44	\$51.79	\$54.15	\$56.50	\$58.85	\$61.80	\$64.74	\$67.68	\$70.63	\$72.10	\$73.57
17	\$52.66	\$55.29	\$57.93	\$60.56	\$63.19	\$65.83	\$69.12	\$72.41	\$75.70	\$78.99	\$80.64	\$82.28

Example: Add 5 more grades

	12											
	1	2	3	4	5	6	7	8	9	10	11	12
1	\$14.09	\$14.79	\$15.50	\$16.20	\$16.91	\$17.61	\$18.32	\$18.67	\$19.02	\$19.37	\$19.73	\$20.08
2	\$14.92	\$15.67	\$16.41	\$17.16	\$17.91	\$18.65	\$19.40	\$19.77	\$20.15	\$20.52	\$20.89	\$21.26
3	\$16.01	\$16.81	\$17.61	\$18.41	\$19.21	\$20.01	\$20.81	\$21.21	\$21.61	\$22.01	\$22.41	\$22.81
4	\$17.46	\$18.33	\$19.21	\$20.08	\$20.95	\$21.83	\$22.70	\$23.14	\$23.57	\$24.01	\$24.44	\$24.88
5	\$19.15	\$20.11	\$21.06	\$22.02	\$22.98	\$23.94	\$24.89	\$25.37	\$25.85	\$26.33	\$26.81	\$27.29
6	\$19.78	\$20.76	\$21.75	\$22.74	\$23.73	\$24.72	\$25.71	\$26.20	\$26.70	\$27.19	\$27.69	\$28.18
7	\$21.21	\$22.27	\$23.33	\$24.39	\$25.45	\$26.51	\$27.57	\$28.10	\$28.63	\$29.16	\$29.69	\$30.22
8	\$23.49	\$24.67	\$25.84	\$27.02	\$28.19	\$29.37	\$30.54	\$31.13	\$31.71	\$32.30	\$32.89	\$33.48
9	\$26.07	\$27.37	\$28.68	\$29.98	\$31.29	\$32.59	\$33.89	\$34.54	\$35.20	\$35.85	\$36.50	\$37.15
10	\$27.04	\$28.39	\$29.74	\$31.09	\$32.44	\$33.79	\$35.15	\$35.82	\$36.50	\$37.17	\$37.85	\$38.53
11	\$29.35	\$30.82	\$32.29	\$33.75	\$35.22	\$36.69	\$38.16	\$38.89	\$39.62	\$40.36	\$41.09	\$41.83
12	\$30.82	\$32.36	\$33.90	\$35.44	\$36.98	\$38.52	\$40.06	\$40.83	\$41.60	\$42.38	\$43.15	\$43.92
13	\$32.09	\$33.70	\$35.30	\$36.91	\$38.51	\$40.12	\$41.72	\$42.53	\$43.33	\$44.13	\$44.93	\$45.74
14	\$35.33	\$37.10	\$38.87	\$40.63	\$42.40	\$44.17	\$46.37	\$48.58	\$50.79	\$53.00	\$54.10	\$55.21
15	\$38.49	\$40.41	\$42.34	\$44.26	\$46.19	\$48.11	\$50.52	\$52.92	\$55.33	\$57.73	\$58.94	\$60.14
16	\$40.43	\$42.45	\$44.47	\$46.49	\$48.51	\$50.53	\$53.06	\$55.58	\$58.11	\$60.64	\$61.90	\$63.16
17	\$42.45	\$44.57	\$46.69	\$48.81	\$50.94	\$53.06	\$55.71	\$58.36	\$61.02	\$63.67	\$65.00	\$66.32
18	\$47.08	\$49.44	\$51.79	\$54.15	\$56.50	\$58.85	\$61.80	\$64.74	\$67.68	\$70.63	\$72.10	\$73.57
19	\$49.44	\$51.91	\$54.38	\$56.85	\$59.33	\$61.80	\$64.89	\$67.98	\$71.07	\$74.16	\$75.70	\$77.25
20	\$52.66	\$55.29	\$57.93	\$60.56	\$63.19	\$65.83	\$69.12	\$72.41	\$75.70	\$78.99	\$80.64	\$82.28
21	\$55.82	\$58.61	\$61.40	\$64.19	\$66.99	\$69.78	\$73.27	\$76.75	\$80.24	\$83.73	\$85.48	\$87.22
22	\$57.50	\$60.37	\$63.25	\$66.12	\$69.00	\$71.87	\$75.46	\$79.06	\$82.65	\$86.24	\$88.04	\$89.84

Example: Lump sum Merit Pay for people at top step

	1	2	3	4	5	6	7	8	9	10	11	12
1	\$14.09	\$14.79	\$15.50	\$16.20	\$16.91	\$17.61	\$18.32	\$18.67	\$19.02	\$19.37	\$19.73	\$20.08
2	\$14.92	\$15.67	\$16.41	\$17.16	\$17.91	\$18.65	\$19.40	\$19.77	\$20.15	\$20.52	\$20.89	\$21.26
3	\$16.01	\$16.81	\$17.61	\$18.41	\$19.21	\$20.01	\$20.81	\$21.21	\$21.61	\$22.01	\$22.41	\$22.81
4	\$17.46	\$18.33	\$19.21	\$20.08	\$20.95	\$21.83	\$22.70	\$23.14	\$23.57	\$24.01	\$24.44	\$24.88
5	\$19.15	\$20.11	\$21.06	\$22.02	\$22.98	\$23.94	\$24.89	\$25.37	\$25.85	\$26.33	\$26.81	\$27.29
6	\$19.78	\$20.76	\$21.75	\$22.74	\$23.73	\$24.72	\$25.71	\$26.20	\$26.70	\$27.19	\$27.69	\$28.18

Once I get to top of scale in red, I am eligible for a lump sum merit increase annual based on performance. ($\$20.08 * 3\% = \$1,252$ lump sum increase)

Example: Move everyone one grade, same step

	1	2	3	4	5	6	7	8	9	10
1	\$14.09	\$14.79	\$15.50	\$16.20	\$16.91	\$17.61	\$18.32	\$18.67	\$19.02	\$19.37
2	\$14.92	\$15.67	\$16.41	\$17.16	\$17.91	\$18.65	\$19.40	\$19.77	\$20.15	\$20.52
3	\$16.01	\$16.81	\$17.61	\$18.41	\$19.21	\$20.01	\$20.81	\$21.21	\$21.61	\$22.01
4	\$17.46	\$18.33	\$19.21	\$20.08	\$20.95	\$21.83	\$22.70	\$23.14	\$23.57	\$24.01
5	\$19.15	\$20.11	\$21.06	\$22.02	\$22.98	\$23.94	\$24.89	\$25.37	\$25.85	\$26.33
6	\$19.78	\$20.76	\$21.75	\$22.74	\$23.73	\$24.72	\$25.71	\$26.20	\$26.70	\$27.19

	1	2	3	4	5	6	7	8	9	10
1	\$14.92	\$15.67	\$16.41	\$17.16	\$17.91	\$18.65	\$19.40	\$19.77	\$20.15	\$20.52
2	\$16.01	\$16.81	\$17.61	\$18.41	\$19.21	\$20.01	\$20.81	\$21.21	\$21.61	\$22.01
3	\$17.46	\$18.33	\$19.21	\$20.08	\$20.95	\$21.83	\$22.70	\$23.14	\$23.57	\$24.01
4	\$19.15	\$20.11	\$21.06	\$22.02	\$22.98	\$23.94	\$24.89	\$25.37	\$25.85	\$26.33
5	\$19.78	\$20.76	\$21.75	\$22.74	\$23.73	\$24.72	\$25.71	\$26.20	\$26.70	\$27.19
6	\$21.21	\$22.27	\$23.33	\$24.39	\$25.45	\$26.51	\$27.57	\$28.10	\$28.63	\$29.16

Decisions

- ▶ Benchmark group: keep for arbitration, but weight/ tier
- ▶ Recalibrate pay grid to add more grades, reduce compression
- ▶ Set pay philosophy
- ▶ Move HHS to one grid
- ▶ Address grades 87-91
- ▶ Implementation Date



Questions

