



MEMO

TO: County Commissioners
FROM: Robert W. Wilson
DATE: June 1, 2022
SUBJECT: Department Head COLA Recommendation

County Administrator

Robert W. Wilson
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On Wednesday, May 25th County Department Heads recommended a Cost-of-Living Adjustment (COLA) of 8.5% for County employees in 2023. In arriving at this recommendation Department Heads utilized the long-standing practice of adopting a recommendation equal to the April-to-April Consumer Price Index (CPI) figure for upper Midwest cities with populations of 500,000 or less.

This CPI is not typical and places substantial pressures on the economy both nationally and in our local workforce.

There was serious discussion about whether to remain consistent with past practice and recommend the CPI figure or to make an alternative recommendation. After thoughtful consideration Department Heads voted unanimously to remain consistent and recommend the CPI figure. Several points were raised during that discussion:

- The process of Department Heads using the localized CPI figure as a COLA recommendation has been used consistently for budgeting purposes for nearly 20 years. The one exception (applied on several occasions) is when the April to April CPI figure is negative. In those cases, Department Heads have recommended and the Commission adopted a 0% COLA increase.
- The County made a significant investment in 2021 to be more competitive in the local labor market. This was needed so the County can continue to recruit and retain a high-quality workforce. Adopting the CPI does not advance the County's position in the labor market, it simply maintains our position. Commission
- The current labor market is extremely tight and as an organization that employs nearly 500 fulltime employees, we must remain competitive. Several Department Heads have said last year's COLA action by the Commission allowed them to remain competitive in recruitment and hiring talented employees.

At the meeting on June 6th the Commission should take action to identify a COLA percentage the Finance Office will use in preparing budget information. The COLA percentage can, at Commission direction, be updated at later points in the budgeting process.

SUGGESTED MOTION: Move to adopt an 8.5% COLA for use in developing the 2023 Cass County Budget.

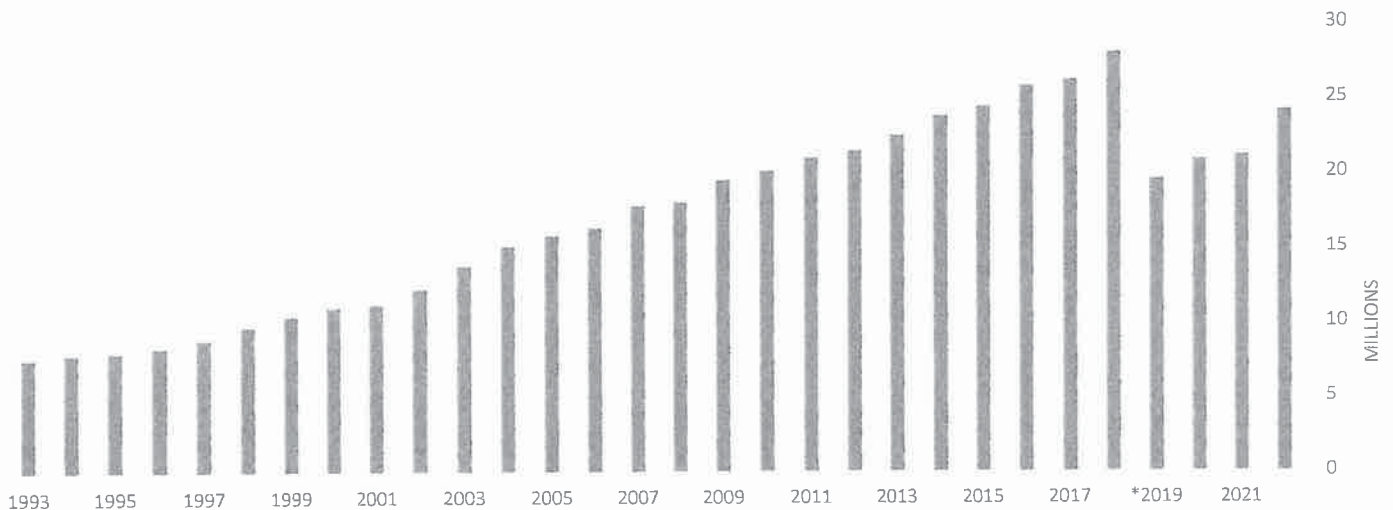
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CASS COUNTY GOVERNMENT Gross Salaries

Year	Gross Salaries	Percent Increase	
1993	7,623,454	6.9%	2.5% COLA + Step
1994	7,929,926	4.0%	2.5% COLA + Step where applicable
1995	8,047,241	1.5%	3.0% COLA + Step
1996	8,388,373	4.2%	3% COLA + Step
1997	8,904,709	6.2%	3% COLA + Step
1998	9,744,063	9.4%	New Scale- Minimum 2.5% increase + step
1999	10,479,042	7.5%	2.5% COLA + Step
2000	11,087,318	5.8%	2.2% COLA + Step
2001	11,272,031	1.7%	1.77 Scale Adjustment + 2.5% COLA +Step
2002	12,299,727	9.1%	4% COLA + Step+ Staff for New Jail
2003	13,845,072	12.6%	3% COLA + Step+ Full year Staff for New Jail+ 10 New Staff
2004	15,168,449	9.6%	3.4% Grade/Step Table 2.4% COLA + 10 New Staff
2005	15,883,482	4.7%	2.5% COLA + Step + SS budgeted to opt out of State Merit System
2006	16,353,847	3.0%	3.25% COLA + Step + SS budget less for State Merit System
2007	17,846,607	9.1%	2.10% Grade/Step Table 3.50% COLA + 9 New Staff
2008	18,090,463	1.4%	2.30% COLA + Step + 9 New Staff- Child Support went to State
2009	19,561,647	8.1%	4.00% COLA + Step + 3 New Staff
2010	20,144,443	3.0%	1.40% Grade/Step Table NO COLA + 7 New Staff
2011	21,012,104	4.3%	3.00% COLA + Step + 3 New Staff
2012	21,467,515	2.2%	2.40% COLA + Step + 7 New Employees and SS Reducing 5.5 FTE's
2013	22,545,854	5.0%	2.40% COLA + Step + 5 New Employees
2014	23,846,483	5.8%	1.0% COLA + Step + 21 New Employees
2015	24,446,356	2.5%	2.0% COLA + Step + 4 New Employees
2016	25,836,798	5.7%	2.0% COLA + Step +Attorney Reclassify+ 7 New Employees
2017	26,245,917	1.6%	.7% COLA + Step + 5 New FTE's
2018	28,076,979	7.0%	1.7% COLA + Step + 10.5 New FTE's + Reclassify Correctional Officers
*2019	19,606,969	-30.2%	1.4% COLA + Step + 12 New FTE's
2020	20,920,768	4.7%	1.7% COLA + Step + 10.7 New FTE's
2021	21,232,946	1.5%	No COLA + Step + 2.0 New FTE's
2022	24,205,713	14.0%	5.1% COLA + Steps + New FTE's

Gross Salaries



* - Social Service Salaries Removed

SUBJECT: COUNTY COMMISSIONERS

ADOPTED DATE: MAY 18, 2015

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PAY PHILOSOPHY

For Cass County Government, as with all employers, the payroll constitutes a sizeable operating cost. Therefore, a sound compensation program is essential.

Cass County's compensation policy should include consideration of the following items:

- 1) The rate of pay within the organization and whether it is to be above, below, or at the prevailing community rate.
- 2) The pay level at which new employees may be recruited and the pay differential which should be maintained between new and more senior employees.
- 3) The intervals at which pay raises are to be granted and the extent to which merit pay is to influence raises.
- 4) The employer's ability to pay along with the consideration of total benefit packages.

Since pay must not only be equitable but be so perceived by employees, it is important that Cass County employees understand the pay philosophy of the organization. The effective communication of pay information together with an organizational environment which generates employee trust in management can contribute to more accurate employee perceptions of their pay. This perception can be achieved by effective communication from management to the employees.

Cass County Government believes that equitable compensation and employee productivity are important to the achievement of organizational goals and has dedicated itself to maintaining an independent, non-biased salary plan using the services of a paid professional consultant from outside the Fargo-Moorhead area. The Cass County Board of Commissioners has committed itself to review detailed labor market pay comparisons for all benchmark positions in a mix of relevant labor market sources in Minnesota and North Dakota. Every three years, the report will compare current average pay for each benchmark to the market average pay and provide the board with a market pay line for each of the county classes in each DBM rating. The objective is to provide Cass County pay ranges that are market competitive but do not lead nor lag the area labor market. With this information, Cass County Government can provide a total competitive compensation package.

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PAY PHILOSOPHY (cont.)

Each DBM rating shall be assigned a salary range consisting of a minimum, a market value and a maximum. The maximum of the Cass County pay ranges shall be created by allowing compensation for above average performers to be 5% higher than the pay range market values. In addition, the county will consider, on an annual basis, the adjustment of the pay range market values so that the Cass County pay scale remains competitive throughout the pay plan year. The employee compensation package shall continue to allow existing step progression increases, factoring in performance considerations, however, the plan is not intended to reward longevity.

Management shall continue to refine the performance appraisal system and Cass County Government will provide supervisor and management training in an effort to carry out a merit-based system.

Although, from time to time, the Board of Commissioners must make difficult decisions associated with the budget process, every effort will be made to address employee compensation issues early in the budget process. The Board must also carefully balance the perception of pay equity of both the taxpayers and the employees to insure universal acceptance of the pay and benefits package.

Finally, it is expected that in return for a fair and equitable compensation plan, employees will, in return, provide to the citizens of Cass County honest and diligent efforts in completing the assigned job or task in a manner expected of a competent and capable employee.

HISTORICAL REFERENCE DATE: JULY 18, 1994