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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.

## 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