



**WORK SESSION
RICHFIELD MUNICIPAL CENTER, BARTHOLOMEW ROOM
FEBRUARY 28, 2024
5:45 PM**

Call to order

1. Review the results and explore options to implement the findings of the compensation and class study from Baker Tilly.

Adjournment

Auxiliary aids for individuals with disabilities are available upon request. Requests must be made at least 96 hours in advance to the City Clerk at 612-861-9739.

**STAFF REPORT NO. 06****WORK SESSION****2/28/2024**

REPORT PREPARED BY: Sack Thongvanh, Assistant City Manager

DEPARTMENT DIRECTOR REVIEW:

OTHER DEPARTMENT REVIEW:

CITY MANAGER REVIEW: Katie Rodriguez, City Manager
2/28/2024**ITEM FOR WORK SESSION:**

Review the results and explore options to implement the findings of the compensation and class study from Baker Tilly.

EXECUTIVE SUMMARY:

In 2023, the City established a committee tasked with selecting a firm to conduct a comprehensive compensation and class study and help manage the project. The purpose of this study is to evaluate and analyze the current compensation and classification structure within the City's workforce.

The City initiated a selection process, which included a presentation and interview phase. Multiple firms were invited to present their proposals and engage in interviews with the committee. The Committee ultimately selected Baker Tilly as the firm to conduct the compensation and class study. Baker Tilly was chosen based on their demonstrated capability, experience, and proposed methodology, which aligns closely with the City's needs and expectations.

The compensation and class study represents a significant milestone in the City's efforts to ensure equitable and effective compensation practices for its workforce. It has been over 20 years since the City has contracted for a comprehensive review of their compensation and class practices. The study conducted by Baker Tilly provides valuable analysis and recommendations to inform future decisions regarding employee compensation and classification for the City.

Baker Tilly's presentation tonight will focus on:

1. Project Overview
2. Market Assessment
3. Pay Plan Development
4. Grade Assignment
5. Implementation Scenarios

Finally, Baker Tilly will provide recommendations for Council consideration and approval at later meetings.

DIRECTION NEEDED:

Staff would like direction on next steps. The Council should provide direction to proceed with one of the compensation implementation options outlined in the Baker Tilly study or direct the consultant and staff to present information on additional options at a future meeting.

BACKGROUND INFORMATION:

A. HISTORICAL CONTEXT

While the City has not conducted a comprehensive review of its entire compensation structure in over two decades, it has regularly conducted targeted market analyses for specific positions. Recent adjustments for liquor store associates and seasonal recreation staff demonstrate the City's responsiveness to evolving market conditions. In addition, negotiations with represented employees include compensation comparisons to peer cities which are then implemented via collective bargaining agreements. The City also regularly researches market comparisons when there is turnover in non-represented positions.

B. EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

The compensation and class study plays an important role in ensuring that the City maintains competitiveness in the marketplace by aligning with the strategic priority for a high-quality workforce. This study evaluates the compensation structure of positions within the organization to ensure that they are in line with industry standards and comparable to those offered by other peer employers in the market.

The development of the proposed pay plan is based in SAFE scores for each position. The SAFE scores provide a more objective and consistent method to evaluate how positions are assigned to pay grades. This ensures better pay equity and will allow the City a better system to use for future job evaluations so that pay equity is maintained.

In sum, investing in a high-quality workforce through competitive and equitable compensation and classification practices is essential for the City to achieve its strategic priorities and deliver high-quality services to its residents.

C. POLICIES (resolutions, ordinances, regulations, statutes, exc):

D. CRITICAL TIMING ISSUES:

Staff need time to implement any of the options and employees are eager to learn the impact on their individual compensation. In addition, the compensation and class findings and implementation will inform negotiations.

E. FINANCIAL IMPACT:

The financial impact will depend on which implementation option is chosen by the City Council. The current options provided by Baker Tilly do calculate the impact on salaries for all staff, including those employees who are represented by unions, in order to provide high-level estimates. However, the final compensation for these employees will be determined by their collective bargaining agreements which are currently being negotiated or will be soon. In addition, Baker Tilly and staff will not be able to thoroughly review and refine the financial impacts until Council provides further direction.

Baker Tilly's estimated annual impact does not include additional City FICA and PERA costs. The estimates for these costs are below:

Option 1 FICA and PERA: \$45,000 , Combined Total \$328,000

Option 2a FICA and PERA: \$71,000, Combined Total \$520,000

Option 2b FICA and PERA: \$76,000, Combined Total \$548,000

The 2024 budget allocated just under \$400,000 to implement the findings of the compensation and class study. One option is to implement the study starting in the second quarter, April 1, which lessens the budget shortfall for 2024 and allows staff time to thoroughly review the impact on individual employees and process the changes in HR and payroll. If the options were implemented on April 1, the estimated FY2024 impact is as follows:

Option 1 Total April 1 Implementation: \$246,000

Option 2a Total April 1 Implementation: \$390,000

Option 2b Total April 1 Implementation: \$411,000

Baker Tilly and staff are still calculating the impact on the specialized pay plans which includes seasonal recreation staff and liquor store associates. Because the City made market adjustments last year, we believe these impacts will be minimal.

The full impact to the FY2024 budget will depend on the final pay structures, including with the represented

employees. There are also savings due to vacancies and turnover each year. These details will be determined as part of the FY2024 Revised Budget process.

The high level projected impact to the FY2025 levy is approximately 1.25% for Option 1 to 2.25% for Option 2b. We estimate that will push levy increases to 6.5% to 7% for the next couple years. It also limits flexibility for future staff additions.

We have contracted with our financial advisors, Ehlers, to provide a more comprehensive long-term forecast as part of the 2024 Revised/2025 Proposed budget process.

F. **LEGAL CONSIDERATION:**

ALTERNATIVE(S):

Council can direct Baker Tilly and staff to research additional implementation scenarios to present at a later meeting date.

PRINCIPAL PARTIES EXPECTED AT MEETING:

Jamie Haefner, Human Resources Manager Sack Thongvanh, Assistant City Manager/Administrative Service Director Lexi Scholten, Senior Consultant for Baker Tilly

ATTACHMENTS:

Description		Type
▣	2024 Proposed Pay Grades Non-Union FINAL_2-23-24 (General Pay Grades)	Exhibit
▣	2024 Pay Plan (General)	Exhibit
▣	2024 Proposed Pay Grades Non-Union 2.23.24(Specialized Pay Plan)	Exhibit
▣	2024 Pay Plan (Specialized)	Exhibit
▣	FINAL- Richfield Benefits Report - 2.23.24	Backup Material
▣	City of Richfield, MN - Final Presentation 2.28.24	Presentation

GENERAL PAY PLAN
2024 Proposed Pay Plan

Department	Division	Title	Proposed Title	Grade
EXECUTIVE	City Manager	CITY MANAGER		22
ADMINISTRATIVE SERVICES	Administration	ASSISTANT CITY MANAGER		20
COMMUNITY DEVELOPMENT	Community Development	COMMUNITY DEVELOPMENT DIRECTOR		20
FIRE	Fire	FIRE SERVICES DIRECTOR		20
POLICE	Police Operations	PUBLIC SAFETY DIRECTOR		20
PUBLIC WORKS	Public Works Admin	PUBLIC WORKS DIRECTOR		20
RECREATION	Recreation	RECREATION SERVICES DIRECTOR		20
FINANCE	Finance	FINANCE DIRECTOR		20
POLICE	Police Operations	DEPUTY PUBLIC SAFETY DIRECTOR		18
PUBLIC WORKS	Street	DEPUTY PW DIRECTOR		18
ADMINISTRATIVE SERVICES	Human Resources	HUMAN RESOURCES MANAGER		17
COMMUNITY DEVELOPMENT	Community Development	HOUSING/REDEVELOPMENT MANAGER/ ASSISTANT COMMUNITY DEVELOPMENT DIRECTOR	ASSISTANT CD DIRECTOR	17
FIRE	Fire	ASST FIRE CHIEF		17
PUBLIC WORKS	Engineering	CITY ENGINEER		17
ADMINISTRATIVE SERVICES	Information Technology	IT MANAGER		16
ADMINISTRATIVE SERVICES	Liquor Operations	LIQUOR OPERATIONS MANAGER		16
PUBLIC WORKS	Water	UTILITY SUPERINTENDENT		16
COMMUNITY DEVELOPMENT	Community Development	CHIEF BUILDING OFFICIAL		16
ADMINISTRATIVE SERVICES	Building Services	GOVERNMENT BLDGS SUPERINTENDNT		16
ADMINISTRATIVE SERVICES	Communication	COMMUNICATIONS MANAGER		15
COMMUNITY DEVELOPMENT	Community Development	CITY PLANNER		15
COMMUNITY DEVELOPMENT	Community Development	ECONOMIC DEVELOPMENT MANAGER		15
RECREATION	Recreation	FACILITY/PROGRAM MANAGER - POOL/ARENA		15
PUBLIC WORKS	Water	ASSISTANT UTILITIES SUPERINTD		15
PUBLIC WORKS	Engineering	TRANSPORTATION ENGINEER		15
FINANCE	Finance	ASSISTANT FINANCE DIRECTOR		15
ADMINISTRATIVE SERVICES	Information Technology	ASST IT MANAGER/BUS ANALYST		14
ADMINISTRATIVE SERVICES	Deputy Registrar	CITY CLERK		14
PUBLIC WORKS	Central Garage	OPERATIONS SUPERVISOR		14
PUBLIC WORKS	Water	UTILITIES SUPERVISOR		14

GENERAL PAY PLAN
2024 Proposed Pay Plan

RECREATION	Recreation	FACILITY/PROGRAM MANAGER		14
POLICE	Support Services	SUPPORT SERVICES SUPERVISOR		14
COMMUNITY DEVELOPMENT	Community Development	MULTI FAMILY HOUSING PRGM ADMN		14
ADMINISTRATIVE SERVICES	Liquor Operations	LIQUOR STORE MANAGER		13
FINANCE	Finance	ACCOUNTANT		13
FINANCE	Finance	PAYROLL ACCOUNTANT		13
RECREATION	Recreation	RECREATION SUPERVISOR - FACILITIES		13
COMMUNITY DEVELOPMENT	Community Development	SENIOR BUILDING TRADE INSPECTOR		13
EXECUTIVE	City Manager	MANAGEMENT ANALYST	SR. ANALYST	13
PUBLIC WORKS	Public Works Admin	MANAGEMENT ANALYST	SR. ANALYST	13
PUBLIC WORKS	Engineering	CIVIL ENGINEER		13
PUBLIC WORKS	Public Works Admim	GIS COORDINATOR		12
ADMINISTRATIVE SERVICES	Deputy Registrar	MOTOR VEHICLE/LIC SUPERVISOR		12
COMMUNITY DEVELOPMENT	Community Development	PLANNER II		12
EXECUTIVE	City Manager	EQUITY COORDINATOR		12
POLICE	Police Operations	EXECUTIVE AIDE/ANALYST	ANALYST	12
RECREATION	Recreation	EXECUTIVE AIDE/ANALYST	ANALYST	12
PUBLIC WORKS	Water	WATER RESOURCE ENGINEER		12
RECREATION	Wood Lake Nature Center	NATURALIST		12
RECREATION	Recreation	RECREATION SUPERVISOR		12
COMMUNITY DEVELOPMENT	Community Development	BUILDING/TRADE INSPECTOR		12
POLICE	Police Operations	RECORDS SUPERVISOR		12
RECREATION	Wood Lake Nature Center	SUSTAINABILITY SPECIALIST		12
COMMUNITY DEVELOPMENT	Community Development	MECHANICAL/PLUMBING INSPECTOR		12
ADMINISTRATIVE SERVICES	Human Resources	HUMAN RESOURCES SPECIALIST		11
ADMINISTRATIVE SERVICES	Information Technology	IT TECH/HELP DESK		11
POLICE	Support Services	CODE COMPLIANCE OFFICER		11
ADMINISTRATIVE SERVICES	Information Technology	IT TECHNICIAN		11
PUBLIC WORKS	Engineering	ENGINEERING TECHNICIAN		11
POLICE	Police Operations	CRIME PREVENTION SPECIALIST		10
PUBLIC WORKS	Street	FORESTER		10
ADMINISTRATIVE SERVICES	Communication	COMMUNICATIONS SPECIALIST		10
COMMUNITY DEVELOPMENT	Community Development	HOUSING SPECIALIST		10
COMMUNITY DEVELOPMENT	Community Development	PLANNER I		10

GENERAL PAY PLAN
2024 Proposed Pay Plan

POLICE	Police Operations	POLICE DATA & MEDIA SPECIALIST		10
POLICE	Police Operations	RECORDS TECHNICIAN		10
PUBLIC WORKS	Engineering	ENGINEERING ASSISTANT		10
ADMINISTRATIVE SERVICES	Deputy Registrar	LEAD LICENSING CLERK	LEAD LICENSING TECHNICIAN	9
COMMUNITY DEVELOPMENT	Community Development	ASSISTANT PLANNER	PLANNING TECHNICIAN	9
COMMUNITY DEVELOPMENT	Community Development	PERMIT TECHNICIAN		9
EXECUTIVE	City Manager	ADMINISTRATIVE ASSISTANT		9
POLICE	Support Services	HEALTH/LICENSING SPECIALIST		9
ADMINISTRATIVE SERVICES	Deputy Registrar	LICENSING CLERK	LICENSING TECHNICIAN	8
COMMUNITY DEVELOPMENT	Community Development	HOUSING INSPECTIONS CLERK		8
FINANCE	Finance	ACCOUNTING CLERK	ACCOUNTING TECHNICIAN	8
POLICE	Support Services	COMMUNITY SERVICE OFFICER		8
POLICE	Support Services	LICENSING CLERK	BUSINESS LICENSING TECHNICIAN	8
POLICE	Police Operations	SENIOR OFFICE ASST		8
PUBLIC WORKS	Water	UTILITY BILLING CLERK	UTILITY BILLING TECHNICIAN	8
RECREATION	Wood Lake Nature Center	SENIOR OFFICE ASST		8
ADMINISTRATIVE SERVICES	Liquor Operations	LIQUOR OPERATIONS SHIFT LEADER		7
COMMUNITY DEVELOPMENT	Community Development	COMMUNITY DEVELOPMENT TECH		7
ADMINISTRATIVE SERVICES	Building Services	CUSTODIAN		6
ADMINISTRATIVE SERVICES	Deputy Registrar	CITY SERVICES RECEPTIONIST		4

Pay Plan - General

City of Richfield, MN

Minimum		Midpoint				Maximum								
		2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%				
Grade	1	2	3	4	5	6	7	8	9	10	11	Midpoint Differential	Step Diff	Actual Range Spread
1	\$34,053.01	\$34,989.46	\$35,951.67	\$36,940.34	\$37,956.20	\$39,000.00	\$40,072.50	\$41,174.49	\$42,306.79	\$43,470.23	\$44,665.66	7.0%	2.75%	31.2%
2	\$36,436.72	\$37,438.73	\$38,468.29	\$39,526.17	\$40,613.14	\$41,730.00	\$42,877.58	\$44,056.71	\$45,268.27	\$46,513.15	\$47,792.26	7.0%	2.75%	31.2%
3	\$38,987.20	\$40,059.35	\$41,160.98	\$42,292.91	\$43,455.96	\$44,651.00	\$45,878.90	\$47,140.57	\$48,436.94	\$49,768.95	\$51,137.60	7.0%	2.75%	31.2%
4	\$41,716.68	\$42,863.89	\$44,042.64	\$45,253.82	\$46,498.30	\$47,777.00	\$49,090.87	\$50,440.87	\$51,827.99	\$53,253.26	\$54,717.72	7.0%	2.75%	31.2%
5	\$44,845.19	\$46,078.43	\$47,345.59	\$48,647.59	\$49,985.40	\$51,360.00	\$52,772.40	\$54,223.64	\$55,714.79	\$57,246.95	\$58,821.24	7.5%	2.75%	31.2%
6	\$48,208.58	\$49,534.31	\$50,896.51	\$52,296.16	\$53,734.31	\$55,212.00	\$56,730.33	\$58,290.41	\$59,893.40	\$61,540.47	\$63,232.83	7.5%	2.75%	31.2%
7	\$51,824.31	\$53,249.48	\$54,713.84	\$56,218.47	\$57,764.48	\$59,353.00	\$60,985.21	\$62,662.30	\$64,385.51	\$66,156.12	\$67,975.41	7.5%	2.75%	31.2%
8	\$55,710.72	\$57,242.76	\$58,816.94	\$60,434.40	\$62,096.35	\$63,804.00	\$65,558.61	\$67,361.47	\$69,213.91	\$71,117.29	\$73,073.02	7.5%	2.75%	31.2%
9	\$59,888.76	\$61,535.70	\$63,227.93	\$64,966.70	\$66,753.28	\$68,589.00	\$70,475.20	\$72,413.27	\$74,404.63	\$76,450.76	\$78,553.15	7.5%	2.75%	31.2%
10	\$64,380.26	\$66,150.72	\$67,969.87	\$69,839.04	\$71,759.61	\$73,733.00	\$75,760.66	\$77,844.08	\$79,984.79	\$82,184.37	\$84,444.44	7.5%	2.75%	31.2%
11	\$69,208.81	\$71,112.05	\$73,067.63	\$75,076.99	\$77,141.61	\$79,263.00	\$81,442.73	\$83,682.41	\$85,983.67	\$88,348.22	\$90,777.80	7.5%	2.75%	31.2%
12	\$74,399.71	\$76,445.70	\$78,547.95	\$80,708.02	\$82,927.49	\$85,208.00	\$87,551.22	\$89,958.88	\$92,432.75	\$94,974.65	\$97,586.45	7.5%	2.75%	31.2%
13	\$81,095.92					\$92,877.00					\$106,369.55	9.0%		31.2%
14	\$88,394.62					\$101,236.00					\$115,942.89	9.0%		31.2%
15	\$99,001.69					\$113,384.00					\$129,855.67	12.0%		31.2%
16	\$107,912.23					\$123,589.00					\$141,543.19	9.0%		31.2%
17	\$116,005.49					\$132,858.00					\$152,158.73	7.5%		31.2%
18	\$121,805.86					\$139,501.00					\$159,766.78	5.0%		31.2%
19	\$127,896.11					\$146,476.00					\$167,755.06	5.0%		31.2%
20	\$134,291.09					\$153,800.00					\$176,143.04	5.0%		31.2%
21	\$141,005.64					\$161,490.00					\$184,950.19	5.0%		31.2%
22	\$148,056.36					\$169,565.00					\$194,198.27	5.0%		31.2%

SPECIALIZED PAY PLAN
2024 Proposed Pay Plan

Department	Division	Title	Proposed Title	Grade
RECREATION	Swimming Pool	POOL SUPERVISOR		105
RECREATION	Recreation	PLAYGROUND COORDINATOR		105
RECREATION	Recreation	ADAPTIVE COORDINATOR		105
RECREATION	Recreation	FARMERS MARKET COORDINATOR		105
RECREATION	Recreation	TENNIS COORDINATOR		105
RECREATION	Ice Arena	ICE RESURFACER OPERATOR		104
RECREATION	Swimming Pool	HEAD LIFEGUARD		104
RECREATION	Wood Lake Nature Center	NATURALIST I	SEASONAL NATURALIST	104
ADMINISTRATIVE SERVICES	Communication	VIDEO PRODUCTION ASSISTANT		103
RECREATION	Ice Arena	AUDIO TECHNICIAN		103
RECREATION	Wood Lake Nature Center	CLERK TYPIST	OFFICE ASSISTANT	103
RECREATION	Wood Lake Nature Center	OFFICE AIDE	OFFICE ASSISTANT	103
PUBLIC WORKS	Park Maintenance	MAINTENANCE LABORER		103
ADMINISTRATIVE SERVICES	Liquor Operations	LIQUOR SALES ASSOCIATE		103
RECREATION	Recreation	RECREATION ATTENDANT		103
RECREATION	Recreation	ADAPTIVE LEADER/SPECIALIST		103
RECREATION	Swimming Pool	LIFEGUARD		103
RECREATION	Recreation	PLAYGROUND LEADER		102
RECREATION	Ice Arena	ARENA EVENT ATTENDANT		102
RECREATION	Recreation	CONCESSION I		102
RECREATION	Recreation	INCLUSION FACILITATOR		102
RECREATION	Swimming Pool	POOL LEAD CASHIER/CONCESSION		102
RECREATION	Recreation	WINTER SPORTS ATTENDANT		102
RECREATION	Ice Arena	FACILITY CASHIER		101

Pay Plan - Specialized

City of Richfield, MN

Minimum			Midpoint		Maximum		Midpoint Differential	Actual Range Spread
2.75%			2.75%		2.75%			
Grade	1	2	6	10	11			
101	\$29,783.39	\$30,602.43	\$31,444.00	\$32,308.71	\$33,197.20	7.5%	11.5%	
102	\$32,016.86	\$32,897.32	\$33,802.00	\$34,731.56	\$35,686.67	7.5%	11.5%	
103	\$34,417.98	\$35,364.48	\$36,337.00	\$37,336.27	\$38,363.01	7.5%	11.5%	
104	\$36,999.07	\$38,016.55	\$39,062.00	\$40,136.21	\$41,239.95	7.5%	11.5%	
105	\$39,774.33	\$40,868.13	\$41,992.00	\$43,146.78	\$44,333.32	7.5%	11.5%	

1	2	3	4	5
\$14.32	\$14.71	\$15.12	\$15.53	\$15.96
\$15.39	\$15.82	\$16.25	\$16.70	\$17.16
\$16.55	\$17.00	\$17.47	\$17.95	\$18.44
\$17.79	\$18.28	\$18.78	\$19.30	\$19.83
\$19.12	\$19.65	\$20.19	\$20.74	\$21.31

Executive Summary

Peer organizations identified for the market study were also asked to provide information related to their pay plan, paid time off, health benefits, and retirement benefits. Baker Tilly collected data from twelve (12) peer organizations. Six (6) peer organizations completed the benefits portion of the market survey, and the other peer organizations' benefit and personnel data were located online. The peer data located online was matched by Baker Tilly.

Participating organizations include:

- City of Brooklyn Center*
- City of Cottage Grove*
- City of Eagan
- City of Fridley
- City of Hopkins
- City of Inver Grove Heights
- City of Lino Lakes*
- City of Maplewood*
- City of Oakdale*
- City of Roseville
- City of Savage*
- City of Shakopee

** Indicates organization data was matched by Baker Tilly*

Pay Plan Design

- Ten (10) peers have adopted a formal pay plan and eight (8) peers use multiple pay plans.
- Ten (10) peers utilize a grade and step pay plan.

Time Off

- Nine (9) peers' average number of annual paid holidays is 12.22 days, which is higher than the City of Richfield's 11 annual holidays – these are not inclusive of any floating holiday amounts.
- Like the City of Richfield, five (5) peers utilize a vacation-sick/personal model.
- Eight (8) peers allow employees to accrue an average maximum accrual of 33.33 days, which is comparable to City of Richfield's 31 maximum accrual of vacation days.

Health Benefits

- Six (6) peers responded to having high deductible health plans (HDHP).
- Twelve (12) peers provide life insurance policies to their employees at no cost, with varying benefit amounts.

Other Benefits

- Five (5) peers provide pay increases to part-time and/or intermittent employees.
- Three (3) peers do not assign Public Works on-call based on seniority, while two (2) peers do. One (1) peer reported having a rotating overtime list.
- Five (5) peers provide an average of 3.4 weeks of paid parental leave, whereas City of Richfield provides 2 weeks of paid parental leave.

Pay Plan Design

Organizations using an adopted pay plan

<u>Number of Responses</u>	<u>Responses</u>
10	All responding peers use an adopted pay plan
<i>City of Richfield uses adopted pay plans</i>	

Year current pay plan was adopted

<u>Number of Responses</u>	<u>Responses</u>
9	2018 or Before (3), 2022 (5), 2023 (1)

Organizations using single or multiple pay plans

<u>Number of Responses</u>	<u>Responses</u>
9	Single (1), Multiple (8)
<i>City of Richfield uses multiple pay plans due to bargaining contracts</i>	

Type of system for the pay plan

<u>Number of Responses</u>	<u>Responses</u>
10	All responding peers use a grade and step system.
<i>City of Richfield uses an open pay plan for management positions and grade and step pay plans for all other positions</i>	

Pay Plan and Benefits practices

Peer organizations identified for the market study were asked to provide information related to their pay plan, paid time off, health benefits, and retirement benefits.

Peer Pay Plan Design

Like **City of Richfield**, ten (10) peers have adopted a formal pay plan.

Most peers have multiple pay plans due to bargaining contracts.

Ten (10) peers use a grade and step system within their pay plans.

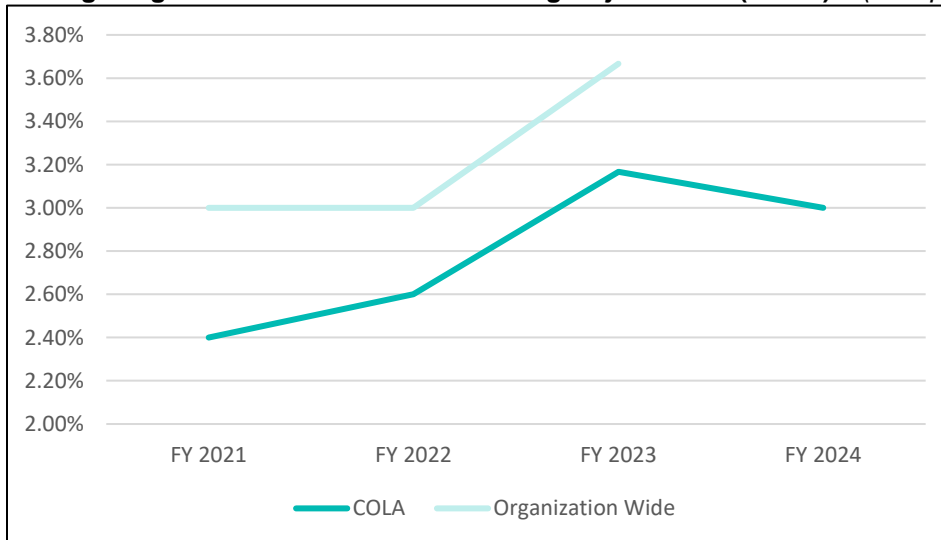
Step Plans (Grades and Steps)

	<u>Number of Responses</u>	<u>Least</u>	<u>Most</u>	<u>Average</u>
# of grades	9	7	30	15.28
% between grades	9	1%	9%	6%
# of steps	10	5	13	8.2
% between steps	10	1%	5%	3.2%
City of Richfield's Grade and Step plans vary				

How pay increases are administered

<u>Number of Responses</u>	<u>Responses</u>
9	All responding peers administer pay increases through automatic annual wage or step increases

Average Organization-wide & Cost of Living Adjustments (COLA) – (8 responses)



Pay plans

On average, peers have 15 grades and 6% between grades. Reporting peers also have an average of 8 steps per grade with an average of 3.2% between steps. The **City of Richfield's** grades and steps vary by pay plan.

Annual Pay Adjustments

Eight (8) reporting peers provide organization-wide and cost of living compensation adjustments. The peer average anticipated cost of living adjustment for 2024 is 3%.

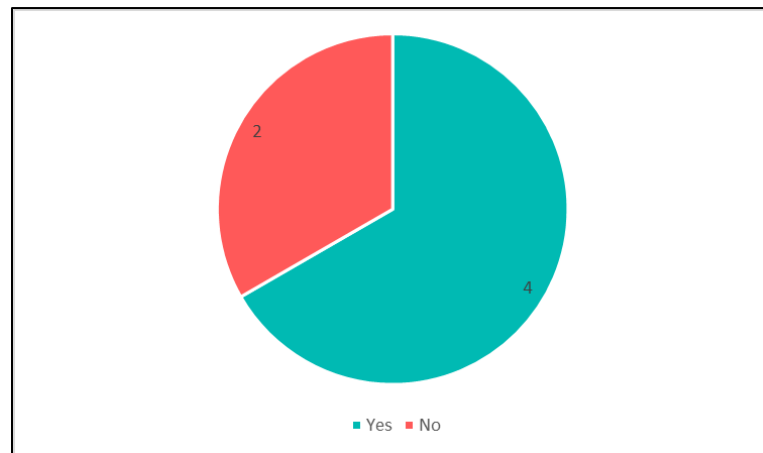
How organizations adjust pay structure

<u>Number of Responses</u>	<u>Responses</u>
9	Collective bargaining agreement (1) Compensation Study (4) Multiple factors (4)

Frequency organizations adjust their pay structure

<u>Number of Responses</u>	<u>Responses</u>
8	Annually (4) Every 5 years (2) Sporadically (2)

Organizations providing longevity pay



Adjusting pay structure

Nine (9) responding peers adjust their pay structures. Four (4) responding peers adjust their pay structures using a compensation study and four (4) peers adjust their pay structures using multiple factors, like budget process, financial ability, collective bargaining agreements, annual internal reviews, and compensation studies.

Pay Practices

On-Call and Standby pay

	<u>On-Call – (4 responses)</u>	<u>Standby – (4 responses)</u>
Holidays	Overtime rate (1.5x straight time) (2) Double time (2x straight time) (1) Other (please explain) (2)	Overtime rate (1.5x straight time) (2) Double time (2x straight time) (1) Other (please explain) (2)
Saturdays & Sundays	Overtime rate (1.5x straight time) (3) Other (please explain) (1)	Overtime rate (1.5x straight time) (3) Other (please explain) (2)
Regularly scheduled day off	Overtime rate (1.5x straight time) (3) Other (please explain) (1)	Overtime rate (1.5x straight time) (2) Other (please explain) (3)
<i>City of Richfield provides call-back pay to their employees at straight time</i>		

Public Works on-call assigned by seniority

<u>Number of Responses</u>	<u>Responses</u>
6	Yes (2), No (3), Other (1)
<i>City of Richfield on-call assignments are designated by the skills required for specific work that comes up</i>	

On-Call pay

Two (2) peers reported other – one (1) pays a minimum of 2 hours at 1.5x straight time and one (1) peer pays a minimum of 3 hours at straight time.

Standby pay

Three (3) peers reported other – one (1) peer pays \$50 per day on a weekday and \$100 per day on a holiday or weekend, one (1) peer pays a minimum of 2.5 hours of pay at 1.5x straight time, and one (1) peer pays a minimum of 4 hours at straight time.

Public Works On-Call

Three (3) peers do not assign Public Works on-call based on seniority, while two (2) peers do. One (1) peer reported having a rotating overtime list.

Promotional pay increases

One (1) peer selected other - stating longevity steps given at 7, 12, 15 and 20 years in position.

Advancing between pay ranges

	<u>Number of Responses</u>	<u>Responses</u>	<u>City of Richfield</u>
Minimum % increase with promotion	6	Yes (3) No (3)	No
Vacancy required prior to promotion	6	Yes (5) No (1)	Yes
Minimum % increase with reclass to higher grade	5	Yes (1) No (4)	No
Allow employees to negotiate salary upon promotion	6	Yes (3) No (3)	Yes
Promotional pay increases automatic upon specific achievement	6	Yes (4) No (2)	No

New hire and employee compensation

	<u>Number of Responses</u>	<u>Responses</u>	<u>City of Richfield</u>
New hire employees receive pay rate above starting minimum	6	All responding peers reported new hire employees can receive pay above starting minimum	Yes
Determination of starting rate above minimum	6	Management Discretion (1) Additional experience OR education (3) Other (please explain) (2)	Education & Experience
New hire employees allowed to negotiate paid time off accruals	6	Yes (4) No (2)	Yes
Provide pay increases to part-time and/or intermittent employees	5	Yes (5)	Yes
Eligibility criteria for part-time/intermittent employee pay increase	5	Dependent on recruitment & retention (1) Based on years of service (2) Fixed annual increase (2)	

Determination of starting rate

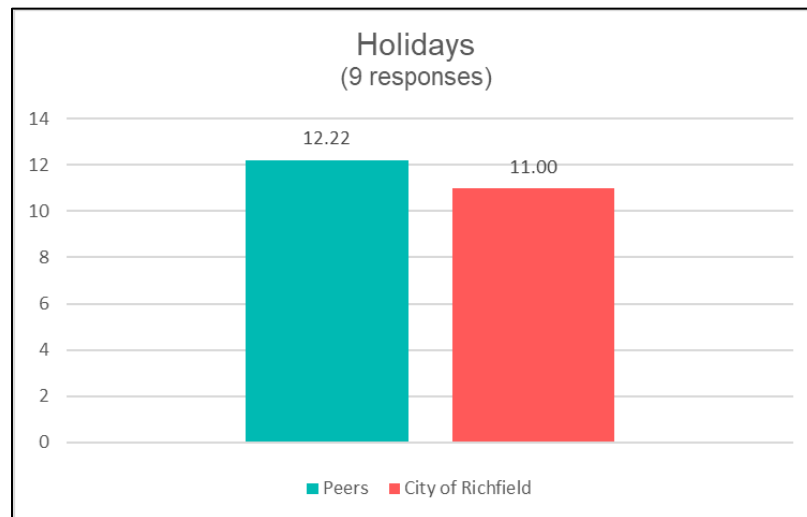
Two (2) peers reported using other factors outside of management discretion, education, and experience when determining starting rate for new hires. One (1) peer allows new hires to be paid as high as what is advertised for the hiring range. The peer reported they consider management discretion, education, experience, and current pay. One (1) peer reported starting rates can be negotiated, but council approval is required if the starting rate is beyond midpoint for the specific pay grade.

Calculating overtime for Public Works employees

Number of Responses	Responses
6	Calculated after 40 hours per week (3) Calculated after 8 hours each day (2) Calculated daily OR weekly (1)
City of Richfield provides overtime pay to employees in the following circumstances: working more than 8 hours a day, call-backs, holidays, and unscheduled shifts	

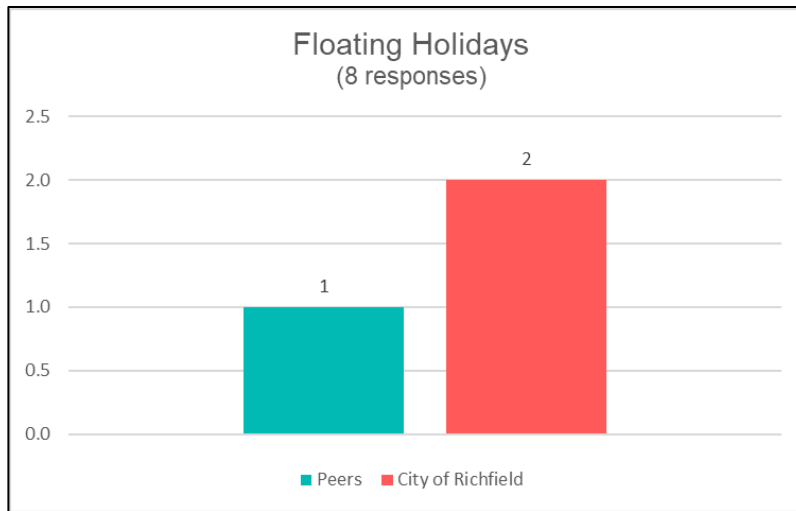
Time off

Number of paid holidays per year (holiday excludes any separate floating holiday)



Holidays

Nine (9) responding peers provide employees with an average of 12.22 annual paid holidays, which is greater than the **City of Richfield's** 11 annual paid holidays.



Floating holidays

Eight (8) responding peers provide employees with an average of 1 annual floating holiday, which is less than the ***City of Richfield's*** 2 annual floating holidays.

Offer Vacation – Sick/Personal or Paid Time-Off (PTO)

<u>Number of Responses</u>	<u>Responses</u>
9	Vacation – Sick/Personal (6) Paid Time Off (3)
City of Richfield provides employees with Vacation time, Personal Leave, and Short-Term Disability	

Vacation - Sick or PTO

Like the ***City of Richfield***, six (6) peers provide employees with vacation – sick/personal leave, and three (3) peers provide paid time off. One (1) peer offers personal time off in lieu of sick time, like the ***City of Richfield***.

Total Annual Time Off Comparison (in days) (8 responses)				
Years of Service	City of Richfield	Least Reported	Most Reported	Average Reported
0 to 1 year	21.75	18	27	20.25
1 year	21.75	18	27	20.25
2 years	21.75	18	27	20.25
3 years	21.75	18	27	20.25
4 years	21.75	18	27	20.25
5 years	21.75	18	27	22.50
6 years	24.75	18	27	23.75
7 years	24.75	18	27	23.75
8 years	24.75	22	27	24.50
9 years	24.75	22	27	24.87
10 years	24.75	23	27	25.25
11 years	27.75	23	28	25.50
12 years	27.75	23	29	25.75
13 years	27.75	23	32	27.00
14 years	27.75	23	32	27.25
15 years	27.75	23	32	28.62
16 years	29.75	26	33	29.75
17 years	29.75	26	34	30.00
18 years	29.75	26	35	30.62
19 years	29.75	26	36	30.87
20 years	29.75	26	37	31.75
21 years	31.75	26	37	31.87
22 years	31.75	26	37	32.00
23 years	31.75	26	37	32.37
24 years	31.75	26	37	32.50
25 years	31.75	26	37	32.62
25+ years	32.75	26	37	32.62

Total time off comparison
(vacation, sick, and personal leave combined together for those peers with vacation-sick/personal models)

**Vacation – Sick –
Personal Leave**

City of Richfield's annual vacation – personal leave accrual ranges from 21.75 days to 32.75 days, based on a years-of-service scale.

When comparing to the peers that also utilize vacation – sick/personal or PTO accruals, **City of Richfield's** vacation - personal accruals are, overall, comparable to market average.

Maximum accrual of vacation or PTO days

<u>Number of Responses</u>	<u>Least</u>	<u>Most</u>	<u>Average</u>
8	23	46	33.33
City of Richfield allows a maximum accrual of 31 vacation days			

Organizations allowing vacation / PTO carryover

<u>Number of Responses</u>	<u>Responses</u>
9	All responding peers allow carryover of unused vacation days
City of Richfield allows employees to carryover vacation days	

Number of carryover days allowed

<u>Number of Responses</u>	<u>Least</u>	<u>Most</u>	<u>Average</u>	<u>City of Richfield</u>
9	30	62.5	39.6	31

Organizations allowing cash-out of unused vacation / PTO days

<u>Number of Responses</u>	<u>Responses</u>
9	Yes (5), No (4)
City of Richfield allows employees to cash-out unused vacation days	

Number of cash-out days allowed

	<u>Number of Responses</u>	<u>Least</u>	<u>Most</u>	<u>Average</u>	<u>City of Richfield</u>
Year End	4	5	40	23.75	6
Termination	Insufficient Responses				31
Retirement	Insufficient Responses				31

Vacation accruals

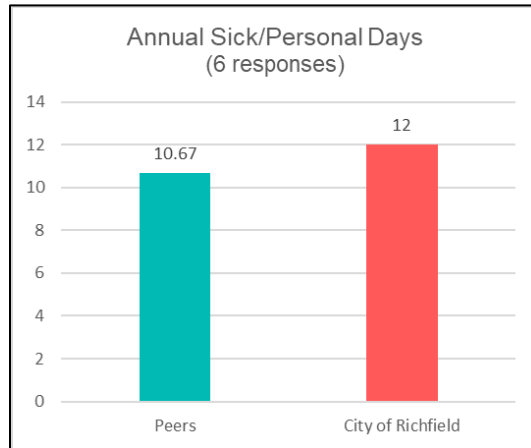
Eight (8) responding peers allow an average maximum of 33.33 accrued vacation or PTO days, which is greater than **City of Richfield's** annual allowed maximum of 31 accrued vacation days. Two (2) of the eight (8) reporting peers allow an unlimited number of accrued vacation or PTO days.

Nine (9) responding peers allow an average of 39.6 days for annual vacation or PTO day carryover. One (1) of the reporting peers allows employees to carryover 2x the annual accrual rate.

Cash-out days allowed

Four (4) peers allow employees to cash-out the balance of their vacation bank at year end for an average of 23.75 days, which is greater than **City of Richfield's** allowed year-end cash-out of 6 vacation days.

Annual sick/personal days provided & annual sick/personal day accruals



Maximum accrual of sick days

<u>Number of Responses</u>	<u>Least</u>	<u>Most</u>	<u>Average</u>
6	12	Unlimited	Unlimited
City of Richfield allows a maximum accrual of 25.5 personal days			

Organizations allowing carryover of sick days

<u>Number of Responses</u>	<u>Responses</u>
7	All responding peers allow unlimited carryover of unused sick days
City of Richfield allows carryover of personal days	

Annual Sick/Personal Days

Like **City of Richfield**, six (6) other peer organizations offer sick day or personal leave accruals and offer options for carryover or cash out policies for those accrued days. **City of Richfield** provides 12 annual sick / personal days to employees, which is greater than the peer market average of 10.67 days.

Two (2) peers allow an unlimited number of accrued sick days.

Maximum carryover of sick days

<u>Number of Responses</u>	<u>Least</u>	<u>Most</u>	<u>Average</u>
6	60	120	95
<i>City of Richfield allows an annual maximum carryover of 25.5 personal days</i>			

Organizations allowing cash-out of unused sick days

<u>Number of Responses</u>	<u>Responses</u>
7	Yes (2), No (5)
<i>City of Richfield allows employees to cash-out unused personal days</i>	

Organizations providing a sick leave bank to employees

<u>Number of Responses</u>	<u>Responses</u>
7	None of the responding peers provide a sick leave bank to employees
<i>City of Richfield does not provide employees with a leave bank</i>	

Sick days continued

	<u>Number of Responses</u>	<u>Least</u>	<u>Most</u>	<u>Average</u>	<u>City of Richfield</u>
Allow employees to donate sick/personal leave	6		Yes (4), No (2)		Yes
Maximum # of days employees can give to other employees	4	2	40	15.67	Unlimited
Maximum # of days employees can receive from sick/personal leave donations	4	37	50	43.5	Unlimited

Cash-out of sick / personal leave

The **City of Richfield** allows employees to cash-out their leave to a health care savings plan (HCSP) or as cash.

Sick/personal days donation

Like the **City of Richfield**, four (4) peers allow employees to donate sick/personal leave to other employees. Two (2) of the peers, like **City of Richfield**, allow an unlimited number of days to be given or donated to other employees, as well as an unlimited number of days employees may receive as sick/personal leave donations.

Health Benefits

Six (6) peers responded to having high deductible health plans (HDHP).

Preferred Provider Organization (PPO) – *insufficient responses*

Health Maintenance Organization (HMO) – *insufficient responses*

High Deductible Health Plans (HDHP)

	<u>Number of Responses</u>	<u>Least</u>	<u>Most</u>	<u>Average</u>	<u>City of Richfield</u>
Employee-only monthly premium	7	\$493.81	\$822.50	\$669.98	
% paid by employer	4	100%	100%	100%	100%
Overall deductible	6	\$2,500	\$3,000	\$2,833.33	
Out-of-Pocket limit	6	\$3,000	\$6,000	\$4,191.67	
Employee + family monthly premium	7	\$1,293.70	\$2,422.70	\$1,871.60	
% paid by employer	6	70%	90%	81%	75%
Overall deductible	6	\$2,500	\$6,000	\$5,250	
Out-of-Pocket limit	6	\$5,000	\$12,000	\$7,550	

PPO premiums

The peer average monthly premium cost for employee only HDHP medical insurance is \$669.98. Four (4) peers pay 100% of the premium.

The peer average monthly premium cost for family HDHP medical insurance is \$1,871.60. Six (6) peers pay an average of 81% of the premium.

Participation policies

	<u>Number of Responses</u>	<u>Responses</u>
Organizations requiring 100% participation of all regular full-time employees	8	Yes (1), No (7)
Organizations providing compensation to employees not participating	7	Yes (5), No (2)

Prescription drug coverage

	<u>Number of Responses</u>	<u>Responses</u>
Organizations providing prescription drug coverage	4	Yes (3), No (1)
Coverage separate from health insurance	3	Yes (3)

Dental insurance coverage

	<u>Number of Responses</u>	<u>Least</u>	<u>Most</u>	<u>Average</u>	<u>City of Richfield</u>
Organizations providing dental insurance coverage	12	All responding peers offer dental insurance coverage separate from health insurance			Yes
Employee-only monthly premium	7	\$23.94	\$56.80	\$42.77	100%
% paid by employer	7	0%	100%	42.9%	
Employee + family monthly premium	8	\$79.50	\$166.75	\$125.10	48%
% paid by employer	7	0%	100%	33.3%	

Dental premiums

Three (3) peers pay 100% of the monthly employee dental premium and two (2) peers pay 100% of the employee + family dental premium.

Vision Insurance

	<u>Number of Responses</u>	<u>Least</u>	<u>Most</u>	<u>Average</u>	<u>City of Richfield</u>
Organizations providing vision insurance coverage	7	Yes (6), No (1)			Yes
Coverage is separate from health insurance	5	All respondents offer separate vision insurance coverage			
Employee-only monthly premium	6	\$4.38	\$8.51	\$5.76	
% paid by employer	5	None of the responding peers contribute to vision insurance premiums			0%
Employee + family monthly premium	6	\$11.40	\$22.40	\$16.11	
% paid by employer	5	None of the responding peers contribute to vision insurance premiums			0%

Other Health Benefits

Life Insurance

	<u>Number of Responses</u>	<u>Responses</u>			<u>City of Richfield</u>
Organizations providing life insurance	12	All responding respondents offer life insurance			Yes
Life insurance benefit provided by employer to employees	7	1x employee's salary (3) \$10,000 - \$40,000 (4)			\$35,000
		<u>Least</u>	<u>Most</u>	<u>Average</u>	
Total monthly premium cost	4	\$0.70	\$4.40	\$2.80	
Maximum life insurance policy available to employees	7	\$25,000	\$500,000	\$230,714	

Life Insurance

Like **City of Richfield**, all responding peers offer life insurance. Three (3) peers offer 1x employee's salary and four (4) peers provide a fixed amount with an option for employees to purchase more at their own expense.

Accidental Death & Dismemberment (AD&D)

	<u>Number of Responses</u>	<u>Responses</u>	<u>City of Richfield</u>
Organizations providing AD&D insurance?	6	All responding peers provide AD&D insurance to employees	Yes
% paid by employer	5	All responding peers pay 100% of the premium	

Short-Term, Long-Term Disability Insurance

	<u>Number of Responses</u>	<u>Responses</u>			<u>City of Richfield</u>
Provide short-term disability	9	Yes (8), No (1)			Yes
% of employee base pay provided	4	<u>Least</u>	<u>Most</u>	<u>Average</u>	100%
		60%	80%	69%	
% paid by employer	3	0%	100%	66.7%	100%
Provide long-term disability	11	All responding peers provide LTD			Yes
% of employee base pay provided	6	<u>Least</u>	<u>Most</u>	<u>Average</u>	100%
		60%	67%	61.4%	
% paid by employer	6	0%	100%	83.3%	

Short-Term Disability

Like **City of Richfield**, eight (8) peers provide short-term disability. The **City of Richfield's** short-term disability benefit provides a generous leave to employees, which pays 100% of regular base pay wages compared to peers who pay an average of 69% of base pay wages.

Parental leave (maternity, paternity, adoption, or foster leave)

	<u>Number of Responses</u>	<u>Responses</u>			<u>City of Richfield</u>
Do you provide paid parental leave?	5	All responding peers provide paid parental leave			Yes
Paid parental leave separate from FMLA	5	Yes (3), No (2)			Yes
Time allowed for parental leave (maternity, paternity, & adoption/foster)	5	<u>Least</u>	<u>Most</u>	<u>Average</u>	2 weeks
		2 weeks	6 weeks	3.4 weeks	
% of salary provided during leave	5	Responding peers provide 100% of salaries			

FMLA

	<u>Number of Responses</u>	<u>Responses</u>	<u>City of Richfield</u>
Offer Family Medical Leave Act (FMLA) benefits	8	All respondents offer FMLA benefits	Yes
Using paid vacation or sick leave concurrent to FMLA benefits	7	Required (6) Voluntary (1)	Required
Using short term disability concurrent to FMLA	7	Required (4) Voluntary (2) Not Applicable (1)	Not Required

Retirement

Defined Benefit Pension Plans – all respondents use Public Employees Retirement Association (PERA)

Deferred Compensation (401k & 457) Retirement Plans

	<u>Number of Responses</u>	<u>Responses</u>
Deferred Compensation (457) plans offered	7	Mission Square (5), MSRS (5), Other (3)
Maximum employee contributions allowed	5	All respondents allow employees to contribute the IRS maximum
Allow employer contributions to match more than one plan	6	None of the responding peers allow employer matches to more than one plan

Deferred Compensation

Seven (7) peers offer deferred compensation 457 plans to employees. Five (5) of the peers offer employees more than one plan.

Six (6) peers offer other insurance benefits to retirees. One (1) peer offers retiree benefits until individual is able to obtain Medicaid, five (5) peers offer dental, vision, life insurance and/or long-term care insurance to retirees,

Retiree insurance

	<u>Number of Responses</u>	<u>Responses</u>
Group health insurance available to retirees	8	Yes (7), No (1)
% paid by employer	4	One (1) peer contributes up to \$500 per month depending on years of service and three (3) peers <u>do not</u> contribute to retiree insurance premiums



Classification & Compensation Study

City of Richfield, MN



Pay Philosophy

- Lead, Lag, or Match

External Competitiveness

- Labor Markets
- Peer Organizations

Internal Equity

- Job Content (job evaluation, comparable worth)
- Equity Adjustment: Jobs adjusting to align with other similar jobs

Individual Contribution

- Personal allocation (seniority, merit pay, skill pay)

Determinants of Compensation

Project Overview

Project Initiation

- Planning meetings to establish goals and working relationships
- Data collection
 - Pay structures
 - Policy handbook
 - Job descriptions
 - Organization charts
 - Union or collective bargaining contracts
 - Census file (names, salaries, hire dates, etc.)
- Leadership and Employee presentations
- Position Analysis Questionnaires (PAQs) to be completed for all position titles included in the study.
 - The PAQ is an online questionnaire that will be distributed via email address and routed directly to supervisors for review upon submission.



Project Overview

Position Review

- Using PAQs, we reviewed titles and made recommendations for adjustments, as necessary
- We conducted job evaluation using our point factor tool, called SAFE®. This process established a hierarchy of jobs within the City that is reflective of internal equity.
 - *This is a measurement of the position, NOT the person in the position.*
- The 9 compensable factors:

1. Education	6. Working Conditions
2. Experience	7. Independence of Actions
3. Level of Work	8. Impact on the Organization
4. Human Interaction	9. Supervision Exercised
5. Physical Demands	
- Additionally, we reviewed exempt/non-exempt designations for each position based on guidelines within the Fair Labor Standards Act (FLSA).



Project Overview

Market Assessment

- **Peer Organizations (12):** We partnered with the City to identify comparable and competitive peer organizations to include in the study. These are organizations that look like you and work like you relative to size (revenue, population served, or number of employees), service offerings, geography, growth, etc.
 - Published salary survey data was incorporated as a private sector comparison.
- **Benchmark Positions (100):** The City selected benchmark positions from the full list of positions and reflected most levels and pay grades within the City.
- **Market Survey:** A summary of work + minimum qualifications was included for each benchmark position to assist peers in providing an appropriate match.
- **Adjustments & Quality Control:** Some adjustments were made to collected data to account for differences in work week, fiscal year, and geographic labor cost. *We did not weight the data.*
- **Benefits Comparison:** We collected pay plan, pay policy, paid time off, medical premiums, retirement, and other pay and benefits program information as a comparison to the City's offerings.



Market Assessment: Peer Organizations

- The City identified 12 public peer organizations to be included in the study
- Data was collected or compiled from all 11 of those, **shown in bold below**.
- Data from **3 published surveys** included to represent the “private sector”

1. City of Brooklyn Center
2. **City of Cottage Grove**
3. **City of Eagan**
4. **City of Fridley**
5. **City of Hopkins**
6. **City of Inver Grove Heights**
7. **City of Lino Lakes**
8. **City of Maplewood**
9. **City of Oakdale**

10. **City of Roseville**
11. **City of Savage**
12. **City of Shakopee**
13. Bureau of Labor Statistics
14. Comp Analyst
15. Economic Research Institute



Market Assessment: Cost of Labor Differentials

Where cost of living is a measurement of goods and services in each area, the cost of labor is a measurement of compensation paid.

Cost of labor can be impacted by the cost of living but is mainly influenced by the supply and demand of labor in each area (rate of unemployment and number of qualified laborers).


Date Pulled	Client Name	Location	Geo Adjust	Client Avg Base
10.06.2023	City of Richfield, MN	City of Richfield, MN	105.7	91,314
Peer #	Peer Organization	Locality Used	ERI Indicator	GeoDiff %
1	City of Brooklyn Center	City of Brooklyn Center	105.9	-0.2%
2	City of Cottage Grove	City of Cottage Grove	105.6	0.1%
3	City of Eagan	City of Eagan	105.8	-0.1%
4	City of Fridley	City of Fridley	105.7	0.0%
5	City of Hopkins	City of Hopkins	105.6	0.1%
6	City of Inver Grove Heights	City of Inver Grove Heights	105.7	0.0%
7	City of Lino Lakes	City of Lino Lakes	105.7	0.0%
8	City of Maplewood	City of Maplewood	105.7	0.0%
9	City of Oakdale	City of Oakdale	105.6	0.1%
10	City of Roseville	City of Roseville	105.7	0.0%
11	City of Savage	City of Savage	105.7	0.0%
12	City of Shakopee	City of Shakopee	105.7	0.0%
13	Bureau of Labor Statistics	Minnesota State Average	101.3	4.4%
14	Comp Analyst	Minnesota State Average	101.3	4.4%
15	Economic Research Institute	Minnesota State Average	101.3	4.4%

Cost of labor differentials collected from Economic Research Institutes Geographic Assessor tool which utilizes figures published by the Bureau of Labor Statistics.



Market Assessment: Results

- In total, 100 benchmark positions were included in the market survey, which is about 86% of all city positions.
 - *These benchmarks had an average of 6.4 matches*
- Of those, 10 had insufficient data (less than 3 matches).
- Overall, the study yielded market values for 90% of the City's benchmark positions.

- 
- On average, the City is 1.9% below market at the midpoint.
 - Draft pay plans are aligned to the market at the midpoint.

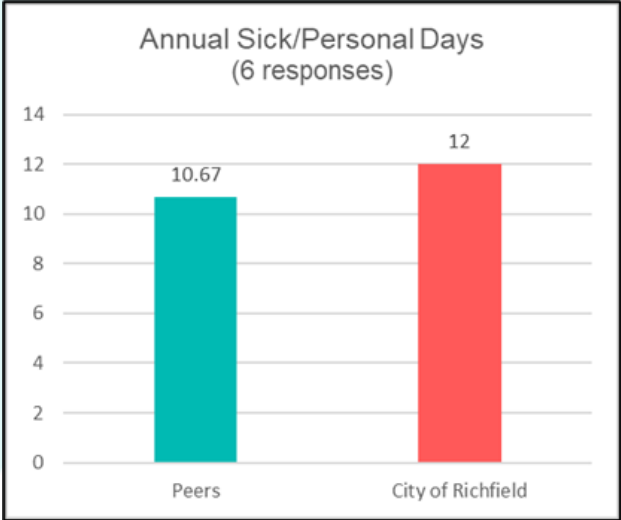
Market Assessment: Pay Practices & Benefits Comparison

Pay Plan Design - all responding peers use a grade and step system
Average 6% between grades, 8.2 steps, 3.2% between steps

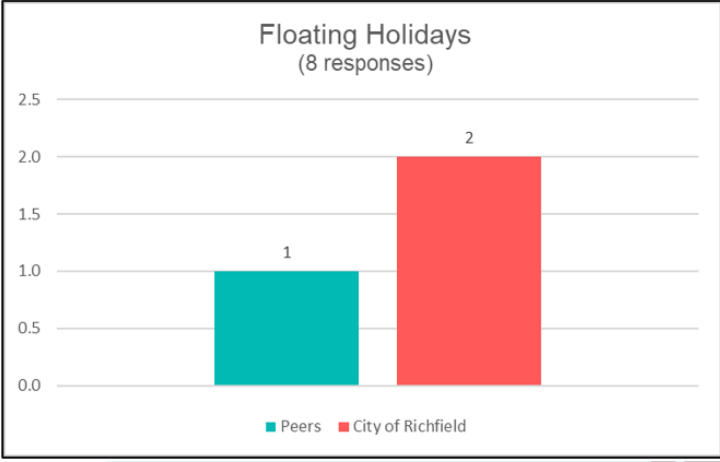
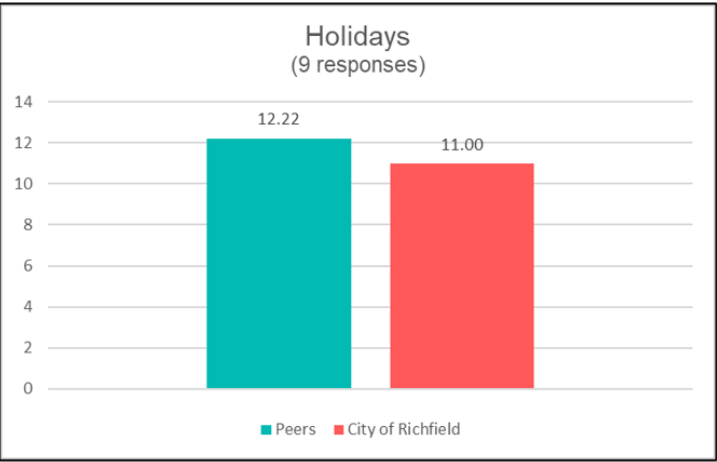
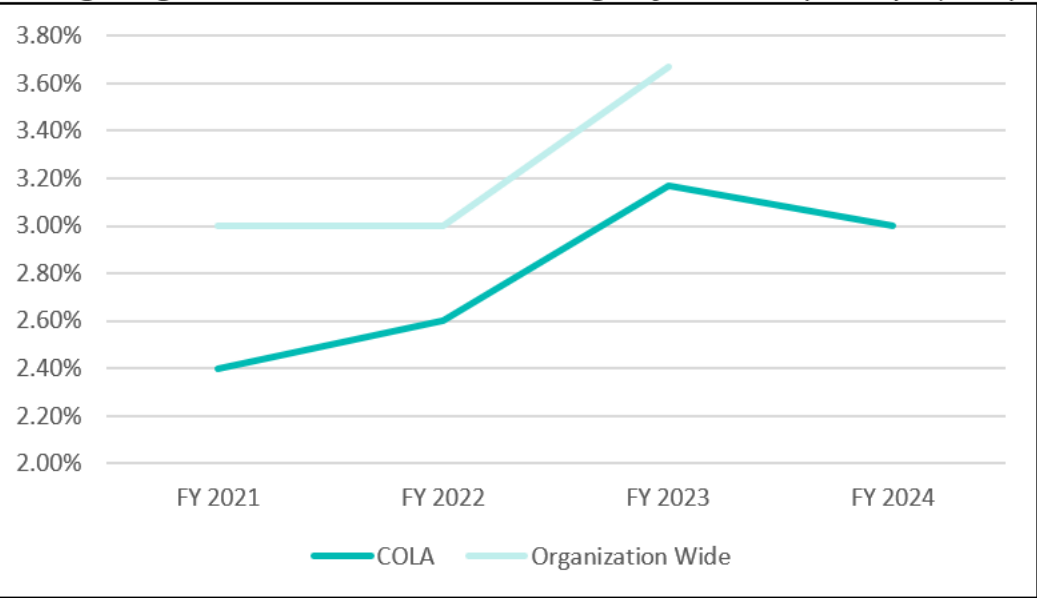
Total Time Off – City of Richfield’s vacation / sick / personal leave accruals are comparable to market averages

Health Plans – average percentage of premium covered by employer:

	Employee	Family
Medical	100% (100%)	81% (75%)
Dental	42.9% (100%)	33.3% (48%)
Vision	0% (0%)	0% (0%)
Short TD	66.7% (100%)	
Long TD	83.3% (100%)	
Parental Leave	100%, 3.4 weeks (0%)	



Average Organization-wide & Cost of Living Adjustments (COLA) – (8 responses)



Pay Plan Development

- Baker Tilly led discussions with the City’s project team with regards to the number of pay plans, type of pay plans, and design of pay plans.
- Determination for the number of pay plans an organization needs may be influenced by the diversity of jobs, diversity in grading procedures, internal equity versus external competitiveness, and even your organizational culture.
- The City currently has eight pay structures:

Management	General Services	Labor & Trades	Police Lieutenants
Police Sergeants	Police Officers	Fire	Specialized

- ←—————→
- Baker Tilly developed the following two pay structures:

General
94 Positions

Seasonal
23 Positions



Current Pay Plans

Management Pay Plan '24					
	Min	Mid	Max	Range Spread	Midpoint Diff
M-L	\$76,232.00	\$87,027.20	\$97,760.00	28%	
M-1	\$87,963.20	\$100,609.60	\$113,110.40	29%	16%
M-2	\$99,174.40	\$113,360.00	\$127,524.80	29%	13%
M-3	\$108,097.60	\$123,552.00	\$138,944.00	29%	9%
M-4L	\$114,046.40	\$130,353.60	\$146,556.80	29%	6%
M-4	\$121,472.00	\$136,115.20	\$153,129.60	26%	4%
M-5A	\$128,710.40	\$146,286.40	\$164,403.20	28%	7%
M-5B	\$133,161.60	\$152,131.20	\$171,204.80	29%	4%

- Open plan (no defined steps), 8 grades
- 26 - 29% range spreads (distance from min to max)
- 4 - 16% midpoint differential (distance between each grade at the midpoint)

General Pay Plan '24							
Grade	2	3	4	5	6	Range Spread	Midpoint Diff
GS1		49,337.60	52,062.40	55,161.60	56,804.80	15%	
GS2		53,601.60	56,280.85	59,155.20	62,129.60	16%	
GS3	56,908.80	59,987.20	62,940.80	66,144.00	69,908.80	23%	12%
GS4	62,129.60	65,312.00	68,619.20	72,009.60	75,795.20	22%	9%
GS5	68,619.20	72,009.60	75,795.20	79,539.20	83,574.40	22%	10%
GS5E	73,694.40	77,355.20	81,307.20	85,384.00	93,808.00	27%	7%
GS6	75,795.20	79,539.20	83,574.40	87,838.40	96,488.80	27%	3%
GS6E	81,307.20	85,404.80	89,731.20	94,244.80	104,104.00	28%	7%

- Step Plan (4 – 5 steps, 8 grades)
- 15 - 28% range spreads (distance from min to max)
- 3 – 12% midpoint differential (distance between each grade at the midpoint)
- Generally, 5% increase per step



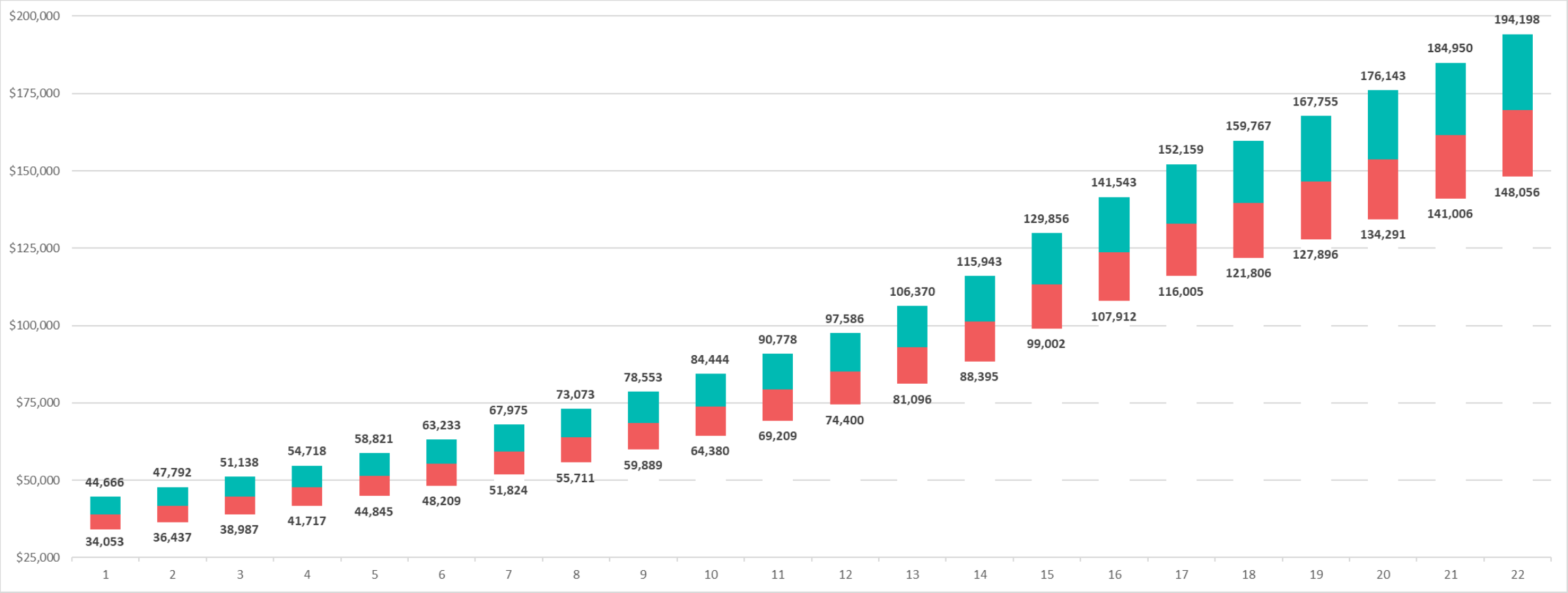
Proposed General Pay Plan

Minimum					Midpoint					Maximum				
2.75%					2.75%					2.75%				
Grade	1	2	3	4	5	6	7	8	9	10	11	Midpoint Differential	Step Diff	Actual Range Spread
1	\$34,053.01	\$34,989.46	\$35,951.67	\$36,940.34	\$37,956.20	\$39,000.00	\$40,072.50	\$41,174.49	\$42,306.79	\$43,470.23	\$44,665.66	7.0%	2.75%	31.2%
2	\$36,436.72	\$37,438.73	\$38,468.29	\$39,526.17	\$40,613.14	\$41,730.00	\$42,877.58	\$44,056.71	\$45,268.27	\$46,513.15	\$47,792.26	7.0%	2.75%	31.2%
3	\$38,987.20	\$40,059.35	\$41,160.98	\$42,292.91	\$43,455.96	\$44,651.00	\$45,878.90	\$47,140.57	\$48,436.94	\$49,768.95	\$51,137.60	7.0%	2.75%	31.2%
4	\$41,716.68	\$42,863.89	\$44,042.64	\$45,253.82	\$46,498.30	\$47,777.00	\$49,090.87	\$50,440.87	\$51,827.99	\$53,253.26	\$54,717.72	7.0%	2.75%	31.2%
5	\$44,845.19	\$46,078.43	\$47,345.59	\$48,647.59	\$49,985.40	\$51,360.00	\$52,772.40	\$54,223.64	\$55,714.79	\$57,246.95	\$58,821.24	7.5%	2.75%	31.2%
6	\$48,208.58	\$49,534.31	\$50,896.51	\$52,296.16	\$53,734.31	\$55,212.00	\$56,730.33	\$58,290.41	\$59,893.40	\$61,540.47	\$63,232.83	7.5%	2.75%	31.2%
7	\$51,824.31	\$53,249.48	\$54,713.84	\$56,218.47	\$57,764.48	\$59,353.00	\$60,985.21	\$62,662.30	\$64,385.51	\$66,156.12	\$67,975.41	7.5%	2.75%	31.2%
8	\$55,710.72	\$57,242.76	\$58,816.94	\$60,434.40	\$62,096.35	\$63,804.00	\$65,558.61	\$67,361.47	\$69,213.91	\$71,117.29	\$73,073.02	7.5%	2.75%	31.2%
9	\$59,888.76	\$61,535.70	\$63,227.93	\$64,966.70	\$66,753.28	\$68,589.00	\$70,475.20	\$72,413.27	\$74,404.63	\$76,450.76	\$78,553.15	7.5%	2.75%	31.2%
10	\$64,380.26	\$66,150.72	\$67,969.87	\$69,839.04	\$71,759.61	\$73,733.00	\$75,760.66	\$77,844.08	\$79,984.79	\$82,184.37	\$84,444.44	7.5%	2.75%	31.2%
11	\$69,208.81	\$71,112.05	\$73,067.63	\$75,076.99	\$77,141.61	\$79,263.00	\$81,442.73	\$83,682.41	\$85,983.67	\$88,348.22	\$90,777.80	7.5%	2.75%	31.2%
12	\$74,399.71	\$76,445.70	\$78,547.95	\$80,708.02	\$82,927.49	\$85,208.00	\$87,551.22	\$89,958.88	\$92,432.75	\$94,974.65	\$97,586.45	7.5%	2.75%	31.2%
13	\$81,095.92					\$92,877.00					\$106,369.55	9.0%		31.2%
14	\$88,394.62					\$101,236.00					\$115,942.89	9.0%		31.2%
15	\$99,001.69					\$113,384.00					\$129,855.67	12.0%		31.2%
16	\$107,912.23					\$123,589.00					\$141,543.19	9.0%		31.2%
17	\$116,005.49					\$132,858.00					\$152,158.73	7.5%		31.2%
18	\$121,805.86					\$139,501.00					\$159,766.78	5.0%		31.2%
19	\$127,896.11					\$146,476.00					\$167,755.06	5.0%		31.2%
20	\$134,291.09					\$153,800.00					\$176,143.04	5.0%		31.2%
21	\$141,005.64					\$161,490.00					\$184,950.19	5.0%		31.2%
22	\$148,056.36					\$169,565.00					\$194,198.27	5.0%		31.2%

- Step & Open plan, 22 grades
- 31.2% range spreads
- 5-12% midpoint differentials
- Aligned to 100% of market midpoints



Proposed General Pay Plan



Proposed Seasonal Pay Plan

Minimum			Midpoint		Maximum		
2.75%			2.75%		2.75%		2.75%
Grade	1	2	3	4	5	Midpoint Differential	Actual Range Spread
101	\$29,783.39	\$30,602.43	\$31,444.00	\$32,308.71	\$33,197.20	7.5%	11.5%
102	\$32,016.86	\$32,897.32	\$33,802.00	\$34,731.56	\$35,686.67	7.5%	11.5%
103	\$34,417.98	\$35,364.48	\$36,337.00	\$37,336.27	\$38,363.01	7.5%	11.5%
104	\$36,999.07	\$38,016.55	\$39,062.00	\$40,136.21	\$41,239.95	7.5%	11.5%
105	\$39,774.33	\$40,868.13	\$41,992.00	\$43,146.78	\$44,333.32	7.5%	11.5%

1	2	3	4	5
\$14.32	\$14.71	\$15.12	\$15.53	\$15.96
\$15.39	\$15.82	\$16.25	\$16.70	\$17.16
\$16.55	\$17.00	\$17.47	\$17.95	\$18.44
\$17.79	\$18.28	\$18.78	\$19.30	\$19.83
\$19.12	\$19.65	\$20.19	\$20.74	\$21.31

- Step plan, 5 grades
- 11.5% range spreads
- 7.5% midpoint differentials
- 2.75% between steps

Grade Assignments

Positions were assigned based on internal equity (job evaluation).

- In accordance with Minnesota Local Government Pay Equity Act (LCPEA)

The following information was NOT considered:

- The person in the position
 - Performance
 - Length of service
 - Existing individual employee salary
-
- Preliminary grade assignments were reviewed with the City's project team to ensure positions were assigned to the correct grade and address any outliers.



Implementation Scenarios

Calculations reflect base pay only.

Baker Tilly does not recommend a pay decrease for any employee as a result of the study.

Implementation Scenarios for Pay Plan:

1. **Step:** Employees move to the closest step without a decrease.
Open: Employees move to the minimum of their assigned pay grade if their current salary is below. All other employees retain their existing salary.
This is to get all employees onto the pay plan.
2. **Step:** Employees move to the step based on years in position.
Open: Employees move to the minimum of their assigned pay grade, plus 3% x years in position, capped at 8 years. Any employees whose current salary is greater than that calculation would retain their existing salary.
For example: if an employee has been in their position with the City of Richfield for 3 years, the employee's new salary would be calculated by adding 9% to the minimum of their newly assigned pay grade.

2b. Compounded over years in position.

Implementation Scenarios - *General*

Option 1 - Closest Step, without decrease or move to Min if below

	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	239	\$20,286,577.94	\$20,568,960.64	\$282,382.70	1.4%
Employees Below Minimum	28	\$1,810,953.36	\$1,958,993.01	\$148,039.65	8.2%
Employees Within Range	175	\$15,274,063.89	\$15,408,406.95	\$134,343.06	0.9%
Employees Above Maximum	36	\$3,201,560.69	\$3,201,560.69	\$0.00	0.0%

Option 2: Steps or in range based on Years in Position (capped at 8 years)

	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	239	\$20,286,577.94	\$20,735,698.94	\$449,121.00	2.2%
Employees Below Minimum	28	\$1,810,953.36	\$2,037,548.90	\$226,595.53	12.5%
Employees Within Range	175	\$15,274,063.89	\$15,496,589.36	\$222,525.47	1.5%
Employees Above Maximum	36	\$3,201,560.69	\$3,201,560.69	\$0.00	0.0%

Option 2b: Steps or in range based on Years in Position (compounded & capped at 8 years)

	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	239	\$20,286,577.94	\$20,758,826.82	\$472,248.88	2.3%
Employees Below Minimum	28	\$1,810,953.36	\$2,037,646.02	\$226,692.65	12.5%
Employees Within Range	175	\$15,274,063.89	\$15,519,620.12	\$245,556.23	1.6%
Employees Above Maximum	36	\$3,201,560.69	\$3,201,560.69	\$0.00	0.0%

Implementation Scenarios - *Seasonal*

	Option 1 - Closest Step, without Decrease				
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	171	\$960,375.00	\$1,000,703.07	\$40,328.07	4.2%
Employees Below Minimum	105	\$437,828.26	\$469,139.88	\$31,311.62	7.2%
Employees Within Range	53	\$433,968.36	\$442,984.80	\$9,016.45	2.1%
Employees Above Maximum	13	\$88,578.38	\$88,578.38	\$0.00	0.0%
	Option 2: Steps based on Years in Position (capped at 5 years)				
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	171	\$960,375.00	\$1,014,592.04	\$54,217.04	5.6%
Employees Below Minimum	105	\$437,828.26	\$481,927.94	\$44,099.68	10.1%
Employees Within Range	53	\$433,968.36	\$444,085.72	\$10,117.36	2.3%
Employees Above Maximum	13	\$88,578.38	\$88,578.38	\$0.00	0.0%

Baker Tilly Recommendations

We urge City of Richfield to:

- ✓ Approve the proposed pay plans and position grade assignments.
- ✓ Approve an implementation scenario that addresses the City's compensation philosophy, business goals, and that is fiscally attainable and sustainable.
- ✓ Continue efforts to maintain the classification and compensation system:
 - Routinely review positions, job descriptions, and market conditions.
 - Adjust pay structures (and salaries), as needed, to maintain market competitiveness.
 - Commit to advancing employees through their assigned pay ranges based on the City's policies.

