



# **Compensation and Class Study Implementation Options**



# 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).



# 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

# Proposed General Pay Plan

Grade	Minimum					Midpoint					Maximum					Midpoint Differential	Step Diff	Actual Range Spread
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15			
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%				



# Proposed Seasonal Pay Plan

Grade	Minimum		Midpoint	Maximum		Midpoint Differential	Actual Range Spread
	1	2	3	4	5		
			2.75%	2.75%	2.75%		
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



# Key Results

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- Questionnaires place people on the pay grade that reflects their job responsibilities-35 positions were placed in a higher grade
- New pay plans provide a consistent, market-driven approach to moving through a pay grade
- SAFE scores provide a consistent approach to evaluating promotions or reclassifications
- Most long tenured employees have been at the highest step for many years, they will now qualify for merit increases again



# Key Results

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- Compensation has been brought to market levels
  - gains are highest for lower paid staff
- Benefits comparison confirmed that the city is generous/competitive compared to peer cities
- Can compete in a very tight labor market-scoring system to review position responsibilities more regularly



# Transition Options

**Option 1:** Employees in the General Services Pay Plan and Specialized Pay Plans would transition to the next highest step within their new pay grade. Most employees under the current Management Pay Plan would maintain their current wage until their anniversary under this option. Estimated 2024 Cost: \$766,000

**Option 1 Plus:** Option 1 Plus adds an additional provision of a 1% minimum increase for all staff upon implementation. This provides 54 employees with at least a 1% increase. Estimated 2024 Cost: \$801,000

**Option 2 (Years in Position):** This option provides a 3% increase for each year in your current position, for up to 8 years in the General Pay Plan. This option benefits only 24 people in the General Pay Plan, only half of those 24 employees have more than 2 years in their position. Estimated 2024 Cost: \$799,000

Note that Options 1 Plus and 2 impact the Specialized Pay Plans less since the increases are more than 1% and there are less long tenured positions. Estimated costs include bringing all employee groups up to market levels.





# Recommend Option 1 Plus

- Most fair transition for majority of employees
- Estimate 6-7% levy increase for the next few years
- Tight labor market is a reality and Richfield needs to be at market levels to compete

Questions?