



## STAFF REPORT

DATE: September 20, 2016

**REGULAR**

ITEM #: 31

**MOTION**

**TO:** Mayor and City Council

**FROM:** Kristina Handt, City Administrator

**AGENDA ITEM:** Job Classification and Compensation Study

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### **BACKGROUND:**

At the August 16, 2016 meeting, Council approved issuing a Request for Proposals for a Job Classification and Compensation Study.

### **ISSUE BEFORE COUNCIL:**

Who should the City contract with for a Job Classification and Compensation Study?

### **PROPOSAL DETAILS/ANALYSIS:**

The City received proposals from six firms.

Springsted: \$9,395

David Drown Associates, Inc: \$11,250

Bjorklund Compensation Consulting: \$12,350

Flaherty & Hood: 13, 800

Paypoint HR: \$15,000

Arthur J. Gallagher: \$22,000

Staff reviewed the proposals and would recommend David Drown Associates, Inc. While they are not the lowest bidder, they would be able to complete the project by the end of January 2017. Springsted's timeline was 5 months and they would not be able to start until 3 weeks after notification. Staff feels it is important to have the study done by the end of January in order to timely file the Pay Equity Report with the state. Additionally, out of pocket expenses (\$750) and possible additional meetings (\$750) included in the Springsted proposal could make the difference in cost negligible.

### **FISCAL IMPACT:**

The total cost for the David Drown Associates Inc proposal would be \$11,250. As of September 9<sup>th</sup>, end of year budget projections included over \$400,000 in excess revenues. Any fund balance not spent in 2016 will carry over into 2017 so staff is not asking for additional tax levy to complete this project.

### **OPTIONS:**

- 1) Contract with David Drown Associates Inc for a Job Classification and Compensation Study
- 2) Contract with Springsted for a Job Classification and Compensation Study
- 3) Contract with another vendor for a Job Classification and Compensation Study
- 4) Do not contract with any vendor for a Job Classification and Compensation Study

### **RECOMMENDATION:**

*Motion to contract with David Drown Associates Inc for a Job Classification and Compensation Study in an amount not to exceed \$11,250 and authorize Mayor and Clerk to sign the contract.*