



STAFF REPORT

DATE: August 16, 2016

REGULAR

ITEM #: 24

MOTION

TO: Mayor and Council

FROM: Kristina Handt, City Administrator

AGENDA ITEM: RFP for Job Classification and Compensation Study

BACKGROUND:

Over the last year or so as the City has been hiring for positions, staff has used the online Salary Survey through the League of Minnesota Cities to help establish a hiring range. Staff had reviewed salaries in cities that are 25% smaller and larger than Lake Elmo (6,000-10,000 population). Information entered into the survey is voluntary on the part of cities.

Recent hirings have brought about questions regarding the overall classification and salaries of City positions. For example, recent department head hires have salaries \$5-10,000+ higher than longer term employees. Also, we have supervisors of multiple positions making less than those who supervise only one position.

ISSUE BEFORE COUNCIL:

Should the Council authorize issuing a Request for Proposals for a Job Classification and Compensation Study?

PROPOSAL DETAILS:

The first step in evaluating the salaries would be to review the job classifications. This establishes the foundation for grouping jobs into categories in order to compare them both internally (with similar jobs within the city) and externally (with similar jobs in the larger market). The City last completed a pay equity report as required under state law in 2014. I've included a copy of the job classification submitted with that report. Clearly, our current pay rates are out of synch with the job classifications. Of particular concern would be female held positions that have higher points in the classification system but receive lower salaries than male positions with lower point values.

After the City has established the classifications, the next step would be to compare the various job classes to appropriate job categories and classes in the market. This comparison to the market should go beyond what is included in LMC's salary survey as it does not include all cities since it is voluntary.

In order to best complete these tasks, staff would recommend the Council approve issuing an RFP. Due to current staff workload, to avoid (perceived or real) conflicts of interest, and to follow the best management practices in local government, an outside firm should be hired to complete the analysis and provide recommendations as needed.

This issue was discussed by the Human Resource Committee on August 8th. The committee had concerns about the cost of a proposal, discussed doing the work internally, suggested looking at job descriptions, and noted that the classification may not have been updated in a number of years. Two of the three

members supported going out for an RFP. The third member's concern was cost and the thought that the work could be completed by staff or interns.

FISCAL IMPACT:

None to issue the RFP. Cost of proposal to be determined at the time they are received. The financial projections for 2016 include a budget surplus of over \$550,000. If the project is started this year those funds could be utilized. Any fund balance that carries over into 2017 could also be used to pay for this project without having to increase the tax levy.

RECOMMENDATION:

Motion to authorize the issuance of a Request for Proposals for a Job Classification and Compensation Study

Job Class Data Entry Verification List

Lake Elmo

LGID 606

Case: 2014 Data

Job Nbr	Class Title	Nbr Males	Nbr Females	Class Type	Jobs Points	Min Mo Salary	Max Mo Salary	Yrs to Max Salary	Yrs of Service	Exceptional Service Pay
18	Receptionist	0	1	F	124	\$2,687.00	\$2,687.00	0.00	2.00	
17	Water/Fire support	1	0	M	130	\$2,690.00	\$2,690.00	0.00	2.00	
14	Planning Assistant	0	1	F	170	\$3,007.00	\$3,007.00	0.00	2.00	
1	Deputy Clerk	0	1	F	205	\$3,188.00	\$3,188.00	0.00	2.00	
2	Heavy Equipment Operato	1	0	M	214	\$3,167.00	\$4,853.00	0.00	4.00	
3	Heavy Equipment Operato	1	0	M	214	\$3,167.00	\$4,853.00	0.00	7.00	
4	Heavy Equipment Operato	1	0	M	214	\$3,167.00	\$4,853.00	0.00	9.00	
5	Heavy Equipment Operato	1	0	M	214	\$3,167.00	\$4,853.00	0.00	23.00	
16	Park Maintainer	1	0	M	214	\$3,167.00	\$4,853.00	0.00	2.00	
15	Librarian	1	0	M	282	\$3,750.00	\$3,750.00	0.00	1.00	
19	Taxpayer Relations	0	1	F	300	\$3,771.00	\$3,771.00	0.00	3.00	
7	City Planner	1	0	M	345	\$4,167.00	\$4,167.00	0.00	2.00	
6	Building Official	1	0	M	360	\$5,099.00	\$5,099.00	0.00	3.00	
8	Fire Chief	1	0	M	372	\$5,718.00	\$5,718.00	0.00	9.00	
9	Finance Director	0	1	F	384	\$6,118.00	\$6,118.00	0.00	3.00	
10	City Clerk	1	0	M	384	\$5,417.00	\$5,417.00	0.00	3.00	
11	Maintenance Supervisor	1	0	M	384	\$6,110.00	\$6,110.00	0.00	28.00	
12	Community Development I	1	0	M	457	\$6,921.00	\$6,921.00	0.00	7.00	
13	City Administrator	1	0	M	496	\$9,417.00	\$9,417.00	0.00	3.00	

Job Number Count: 19