

ROSEVILLE
REQUEST FOR COUNCIL ACTION

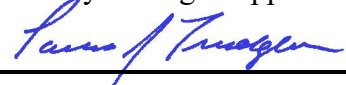
Date: April 17, 2023

Item No.: 7.a

Department Approval



City Manager Approval



Item Description: Discussion on Classification and Compensation Study

BACKGROUND

As part of the 2023 budget process, Council set aside funds to hire a consultant to conduct a city-wide classification and compensation study. At the February 27 meeting, Council authorized a contract with Abdo to conduct this study. Since that time, staff has been working with Abdo to begin the process of data gathering and working with staff to complete job analysis questionnaires which will be used as a foundation for updating job descriptions across the organization.

The consultant will be in attendance to provide background on their process and methodology for the study. As part of this process, Council will be asked to provide their input and come to a consensus surrounding big picture guiding principles for this project.

Tonight's discussion will focus around the areas below:

- The benefits, goals and purpose of conducting a classification and compensation study, as well as what the study is intended to do, and not intended to do.
- The methodology and approach –criteria used to determine comparable cities, what market data is (and isn't).
- Philosophy – where to position the organization in the market, what is the primary motivation as an employer (e.g. attraction, retention, development, etc.), and how do we intend to maintain marketable wages into the future.

POLICY OBJECTIVE

The city's mission is to provide ethical, efficient, and responsive local government, in support of community aspirations, guided by policies of the City Council, and implemented by professional staff, to ensure that Roseville remains strong, vibrant, and sustainable for current and future generations. Additionally, the City adopted a Strategic Racial Equity Action Plan that includes high-impact areas in which to make measurable improvements, including diversifying the city's workforce to mirror the population we serve.

The objective is to implement a compensation and classification program that will enhance employee engagement and satisfaction and to attract and retain a diverse and highly qualified workforce.

BUDGET IMPLICATIONS

This discussion does not have any immediate budget implications. Following completion of the study, there may be budgetary impacts that will be brought forward for further discussion.

35 **RACIAL EQUITY IMPACT SUMMARY**

36 There could be a positive equity impact by completing a Compensation and Classification Study. As
37 we strive to diversify the candidate pool for all vacancies and ultimately increase diversity of new
38 hires, this study would better position the City to update job descriptions and more accurately reflect
39 necessary knowledge, skills, and abilities of job roles. The ability to expand applicant pools and tap
40 into the lived experiences and skills of traditionally underrepresented communities is critical to the
41 city remaining competitive in the job market and meeting the needs of an increasingly diverse
42 community.

43 **STAFF RECOMMENDATION**

44 Receive information from the consultant and provide a consensus agreement surrounding pay
45 philosophy and position within the market.

46 **REQUESTED COUNCIL ACTION**

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48 philosophy and position within the market.

Prepared by: Rebecca Olson, Assistant City Manager
Attachments: A: Abdo Presentation



Lighting the path forward

2023 Position Classification and Compensation Study

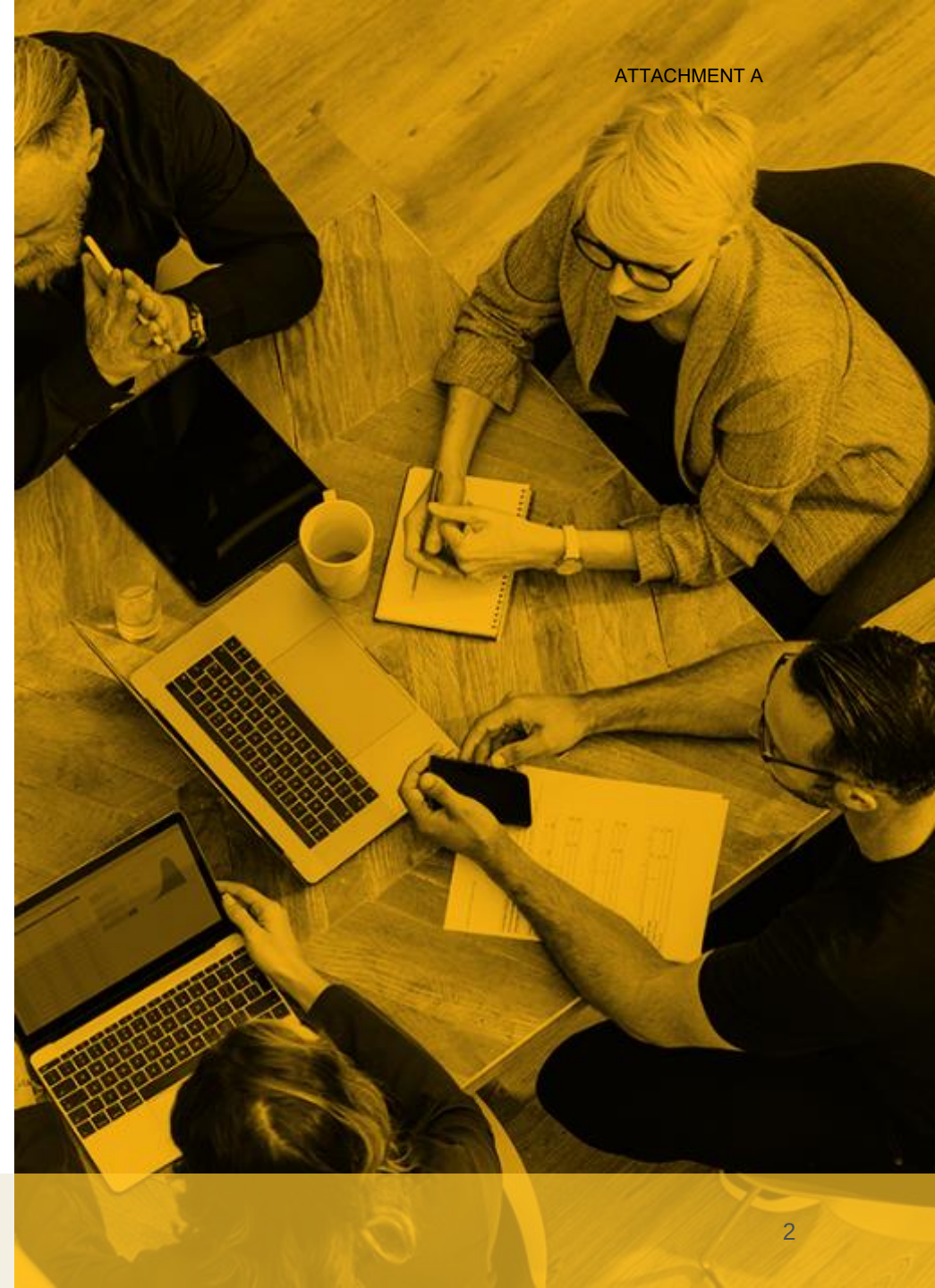


July 18, 2022



Today's Agenda

- Project Overview and Abdo Team
- Benefits of a Strategic Compensation Study
- Roseville Goals and Underlying Assumptions
- Project Process and Methodology
- Comparable Municipalities
- Abdo Position Scoring Methodology
- Discussion and Questions



Compensation Project Overview

PROJECT PHASE	STATUS
Introduction and Project Orientation	Completed
Job Description Updates – 104 positions	In Process
Position Classification Evaluations	In Process
Labor Market Criteria and Selection	In Process
Market Wage & Benefit Analysis	Estimated Start in May 2023
Seasonal Employee Compensation Structure	Estimated Start in May 2023
Implementation Cost Analysis	Estimated Start in July 2023
Pay Equity Testing	Estimated Start in July 2023
Final Report and Presentation	Estimated August 2023
Implementation and System Admin Training	Estimated September 2023

Meet your Abdo Team



Leah Davis, CPA
Partner

P. 507.524.2347

E. leah.davis@abdosolutions.com



Michael Mooney
Senior Associate - HR

P: 952.715.3043

E: Michael.mooney@abdosolutions.com



Brittany Bauer
Senior Associate - HR

P: 507.304.6836

E: Brittany.bauer@abdosolutions.com

Our Abdo team is comprised of experienced professionals with over 70 years of combined HR experience from a wide variety of internal, external, and multi-industry perspectives. The diverse background and experiences of our staff allows us to offer our clients real-world, people-focused, and best-in-class HR consulting, compliance, process, and talent management solutions.

Benefits of a Strategic Compensation Study

- Updated and compliant job descriptions
- Objective position scoring and classification
- Intentional labor market positioning to align with your City's compensation philosophy
- Compensation structure designed to meet your specific needs, effectively motivate employee performance, and align with your union pay scales
- Pay Equity compliance and management
- Establish clear and consistent position classification and scoring review processes for the future
- Clear decision-making and documentation related to how/if the City intends to address exceptional service and/or longevity pay, if any



Roseville Goals and Underlying Assumptions

- The City of Roseville is highly motivated to be seen as an employer of choice in the area to attract and retain qualified talent needed to facilitate successful City operations and leadership, particularly in the current challenging labor market.
- The City has historically aimed to position itself at 97% to 100% of market averages related to wages and benefits and wishes to provide a compensation structure that motivates career progression and development.
- The City wishes to evaluate and update its current formalized pay structure across the entire organization to be equitable, competitive, and accurately reflect changes to position demands and requirements since the last study.
- The City values the contributions, skills and experience of each individual and position and is committed to maintaining job descriptions that accurately depict each position. In addition, the City is motivated to reevaluate position education and experience prerequisites to reduce barriers to diverse candidates while still meeting the demands of the position.
- It is important to remember that, while employees represented by collective bargaining agreements will be included in the market study and considered during development of the proposed step and grade compensation structure, union employee wages must be negotiated independently.



Project Process & Methodology

- Utilized aged 2022 League of Minnesota Salary Survey, Abdo surveys, and Economic Research Institute compensation data.
- Matched similar job titles, based on updated Roseville job descriptions and brief job data provided by survey respondents.
- Compared average minimum and maximum wages for each position to establish the *range* of pay within the market for each position.



Comparable Municipalities

Primary criteria:

- Population
- Proximity to MSP/STP metro
- City operational areas/departments represented
- Private sector transferability – may use private sector wage data if applicable

Other important criteria considered:

- City budget
- City population demographics
- Regional retail and attraction amenities (i.e. Rosedale)
- Median household income
- City's position in the market as a “steppingstone” vs. “destination” employer

*** Employers selected may be a good **comparable** (based on the criteria above), a relevant **competitor**, or a combination of both. **Competitors** that aren't otherwise clear comparables may be considered but data will be presented separately and in aggregate. ***

Abdo Position Scoring Methodology

- **Know-How**
 - Job-Specific Knowledge
 - Integrating Know-How
 - Human Relation Skills
- **Problem Solving**
 - Context & Precedence
 - Thinking Challenge & Complexity
- **Accountability**
 - Freedom to Act/Empowerment
 - Magnitude/Budget
 - Job Impact (direct or indirect) within Organization
- **Special Conditions**
 - Physical Effort
 - Environmental Conditions
 - Hazard Exposure
 - Sensory Attention

***Important Note:** While position scores are consistent with Minnesota predicted pay, they are not intended to be comparable outside of the City of Roseville.

For example, an “Accountant” in Roseville may score differently than the same role in another city due to differences in the calculation and the context of the position within the larger organization. This is acceptable and to be expected.

Discussion for Council

- What is the City's overall compensation philosophy?
 - Remain equal to market averages or is there a need or benefit of positioning compensation above the market for minimum and/or maximum pay?
 - How should performance be considered?
- What is the primary employee behavior to be motivated? Attraction, retention, performance, development, etc.?
- How does the City intend to maintain marketable wages into the future in light of the currently volatile labor market? More frequent wage analysis?



Questions?