

ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: January 25, 2021
Item No.: 9.g

Department Approval



City Manager Approval

Item Description: Pay Equity Reporting 2020 Review

BACKGROUND

The City is required once every three years under the 1984 Local Government Pay Equity Act (M. S. 471.991-471.999 and the Minnesota Rules, Chapter 3920 to provide a pay equity report of its employees. Under the pay equity act employers must test their internal pay systems and report on the principle that men and women should be compensated equally for work requiring comparable skills, responsibilities, and effort. Thus, we test our compensation structures and class valuations internally to assure and prove compliance as required. Adjusting male-dominated classes in a different fashion than female-dominated classes can alter compliance within a class and compensation structure. Non-compliance results in substantial fines until the non-compliance is resolved.

The regulations for the reporting require the data to be reviewed by City Council and approved by signature of the Mayor. In order to meet the statutory delivery requirement, this report must be signed and electronically delivered to the Minnesota Department of Management and Budget no later than 1/31/21.

There are four tests that a city must comply with:

- A. Completeness & Accuracy Test
- B. Statistical Analysis Test
- C. Salary Range Test
- D. Exceptional Service Pay Test

Each section on the Compliance Report (Attachment A) gives a summary of the test results.

- A. The Completeness and Accuracy Test will be concluded when the report is submitted.
- B. The Statistical Analysis test (section II of the Compliance Report) provides details on predicted pay for both male and female classes. The minimum requirement to pass the statistical analysis test is an underpayment ratio of 80%. Jurisdictions below that ratio can improve their score by increasing salaries for females classes to at-or-above predicted pay. Our ratio is in compliance at 84.09%.
- C. The Salary Range test must be 80% or more to pass this test. Jurisdictions not passing this test can pass it by reducing the number of years it takes for female classes to reach maximum salaries, increasing the number of years for males to reach maximum salaries or some combination of both. The City received a passing 95.24% value.
- D. Exceptional Service Pay Test must be either 0% or 80% or more to pass this test. Jurisdictions

38 not passing this test can pass it either by increasing the number of female classes that receive
39 exceptional service pay, decreasing the number of male classes that receive exceptional service
40 pay or some combination of both. The City did not pass this test with a 54.05% value. It should
41 be noted that this test takes into account longevity pay as well as any merit pay that is received
42 for classes that results in a monthly salary above the job class maximum value.

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44 The state makes the final determination on compliance after this report is submitted.

45 **POLICY OBJECTIVE**

46 To maintain compliance with the Local Government Pay Equity Act.

47 **BUDGET IMPLICATIONS**

48 There may be budget implications as the City is found to be out of compliance with the Exceptional
49 Service Pay test. Once the report is submitted and the state makes its final review and determination,
50 if the City is found out of compliance and does not make efforts to correct the issue, fines may be
51 assessed daily until the City achieves compliance.

52 **STAFF RECOMMENDATION**

53 The report is an accurate reflection of the data that is required to be reported for the year ending
54 12/31/2020. Staff recommends that the City Council approve the submittal of the 2020 pay equity
55 report.

56 **REQUESTED COUNCIL ACTION**

57 Motion to approve the report the 2020 pay equity.

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59 Prepared by: Rebecca Olson, Assistant City Manager

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61 Attachment: A. Compliance Report
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Compliance Report

Jurisdiction: Roseville
2660 Civic Center Drive

Report Year: 2021
Case: 1 - 2021 DATA (Private (Jur Only))

Roseville, MN 55113

Contact: Rebecca Olson

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The statistical analysis, salary range and exceptional service pay test results are shown below. Part I is general information from your pay equity report data. Parts II, III and IV give you the test results.

For more detail on each test, refer to the Guide to Pay Equity Compliance and Computer Reports.

I. GENERAL JOB CLASS INFORMATION

	Male Classes	Female Classes	Balanced Classes	All Job Classes
# Job Classes	43	35	8	86
# Employees	122	56	37	215
Avg. Max Monthly Pay per employee	7039.80	6023.29		6790.99

II. STATISTICAL ANALYSIS TEST

A. Underpayment Ratio = 84.30233 *

	Male Classes	Female Classes
a. # At or above Predicted Pay	14	7
b. # Below Predicted Pay	29	28
c. TOTAL	43	35
d. % Below Predicted Pay (b divided by c = d)	67.44	80.00

*(Result is % of male classes below predicted pay divided by % of female classes below predicted pay.)

B. T-test Results

Degrees of Freedom (DF) = 176	Value of T = 6.427
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a. Avg. diff. in pay from predicted pay for male jobs = 5

b. Avg. diff. in pay from predicted pay for female jobs = -188

III. SALARY RANGE TEST = 95.12 (Result is A divided by B)

A. Avg. # of years to max salary for male jobs = 4.76

B. Avg. # of years to max salary for female jobs = 5.00

IV. EXCEPTIONAL SERVICE PAY TEST = 55.84 (Result is B divided by A)

A. % of male classes receiving ESP = 25.58 *

B. % of female classes receiving ESP = 14.29

*(If 20% or less, test result will be 0.00)