

ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: 8/13/12
Item No.: 13.a

Department Approval



City Manager Approval



Item Description:

Compensation Study Discussion and Approval

BACKGROUND

The City of Roseville currently has in place a job evaluation and compensation system that was established through a compensation study conducted in 2002 by Employers Association who was contracted for the study. The City has approximately 72 position descriptions of which approximately 68 classifications are subject to the State of MN Pay Equity Compliance requirements.

However, throughout the last ten years there have been several changes in position classifications, new position additions, job combinations and eliminations, and compensation schedule adjustments. Therefore, there is also a need to have the job evaluation and compensation system reviewed by an outside professional expert to validate and update the system as well as to assess internal and external market compatibility. The City approved a budget of \$9,000 in 2001 to conduct the study that was completed in 2002.

In addition, the City Council has heard about the changes occurring in paid-on-call firefighter's status and pay, and several Council Members encouraged us to do an independent study of their pay and benefits.

For the 2002 study the City solicited proposals for professional services for the development and implementation of a job evaluation and compensation system that meets Federal and State Compensation Standards as well as being competitive in today's marketplace. Staff feels that the evaluation and compensation system that is currently in place still meets the City's needs, but needs to be reviewed, validated, and updated based on internal and external changes that have occurred over the last ten years.

2002 EVALUATION OF PROPOSALS

The City received five proposals in 2002 which ranged in services extended and the costs of services ranging from \$15,500 to \$47,483. Upon review of each proposal by a committee consisting of a representative of each city unit, it was determined that three of the vendors

(Maximus, Riley, Dettmann & Kelsey, and Employers Association) should provide a presentation to the committee as finalists in the bidding process.

The Employer's Assoc. (EA) came in with the most bang for the buck and was selected for the 2002 compensation study. It was discovered during the presentation that not only does George Gmach have a tremendous amount of public experience thru being a previous co-owner of the Stanton Group, but he also was part of the design committee for the original Stanton survey that was used for market information here at the City for many years. They provided a complete service from start to finish as well as a license to their evaluation system which has been used since 2002 to maintain and evaluate City positions.

2012 EVALUATION OF PROPOSALS

Unlike the 2002 study staff does not feel that developing a completely new system of evaluation and classifications is necessary. It is felt that our current system while in need of review, validation, and some updates does meet our needs and is usable for the foreseeable future.

With this study staff recommends utilizing a committee similar to the one used in 2002 to evaluate bids submitted by solicited vendors from the metro area that are known and recommended for their public sector compensation work. The committee would then select the vendor to conduct the study beginning no later than October 1, 2012 to be completed no later than December 15th, 2012. Results of the study would be presented for discussion and action to take place in January of 2013.

Items of focus for the 2012 study would include the following:

- Review/ update current position descriptions for changes/ensure compliance
- Verify/calibrate job value internally through assigning points based on standard factors
- Provide external labor market survey and supporting data/benchmarks
- Provide system testing-equity/fairness
- Provide classification ranking/Grades updates
- Recommend system updates if any to reclassify/ make comp. changes validly/add new positions and manage going forward

POLICY OBJECTIVE

Each year the City budgets wage and benefit adjustments for all employees. The adjustments stem from the best information known or anticipated from the metro labor market, labor settlements, and consumer price index.

The City's compensation policy objectives include:

Internal Equity – maintaining a compensation and benefit package that is as consistent as possible between the City's three union and two non-union groups.

External Equity- maintaining compensation and benefits packages that are equivalent to comparable cities for comparable positions.

BUDGET IMPLICATIONS

This proposed study will cost \$10,000 to \$30,000 that has not yet been budgeted for. Beyond the study costs there will be implementation costs dependent on the outcomes of the study that will need contingency funding. The anticipated outcomes, if similar to those found in our last study conducted in 2002, could be up to \$150,000 to achieve both internal and external equity.

STAFF RECOMMENDATION

Staff recommends immediate approval of up to \$30,000 to begin conducting the study now and \$150,000 to be budgeted in contingency for the study outcomes to be implemented in 2013. In addition staff recommends establishing a RFP and RFP review committee to review and recommend the best vendor to conduct the compensation study prior to the end of 2012 with implementation of the results in early 2013.

REQUESTED COUNCIL ACTION

Motion to approve the proposed staff recommendations as listed above, directing City staff to prepare the necessary bid documents for execution, subject to a compensation committee and City Attorney approvals.

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