

PERSONNEL COMMITTEE AGENDA
Monday, May 13, 2013 – 6:30 P.M.
(or immediately following previously scheduled meeting)
Lincoln Center – 1519 Water Street

[A quorum of the City Council may attend this meeting]

1. Discussion and possible action on selection of vendor for compensation study.
2. Adjournment.

Any person who has special needs while attending this meeting or needs agenda materials for this meeting should contact the City Clerk as soon as possible to ensure a reasonable accommodation can be made. The City Clerk can be reached by telephone at (715) 346-1560, TDD #346-1556, or by mail at 1515 Strongs Avenue, Stevens Point, WI 54481.

Copies of the ordinances, resolutions, reports and minutes of the committee meetings are on file at the office of the City Clerk for inspection during normal business hours from 7:30 A.M. to 4:00 P.M.



Springsted Incorporated
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1. Letter of Introduction

May 3, 2013

Ms. Lisa Jakusz, Human Resource Manager
City of Stevens Point
1515 Strongs Avenue
Stevens Point, Wisconsin 54481

Re: **Request for Proposal to Provide a Compensation Study**

Dear Ms. Jakusz:

Springsted Incorporated is pleased to submit our proposal to conduct a compensation study for the City of Stevens Point's managerial and hourly employees. It is our understanding that the scope of the project includes an analysis of specific positions listed in this RFP, proposing of an equitable wage schedule and compensation system, review and update of job descriptions, providing a method for ongoing evaluation and ranking of positions and implementation of a merit pay system.

Our firm has assisted numerous jurisdictions throughout Midwest and the United States in addressing their classification, compensation and human resources issues, and in performing specialized management studies. We have created an extensive management consulting services practice that provides in-depth study and analysis on a variety of topics. Springsted has the staff, facilities and expertise to furnish the services required for this study. Springsted staff have a wide variety and depth of expertise and capabilities in assisting and advising local governments on critical and important human resources issues.

The qualifications of our firm are discussed in this proposal along with a detailed scope of services, study methodology, project time frame, resumes of the consulting team and list of client references. Springsted will perform the work specified in the request for proposal in accordance with the City's objectives, requirements, terms and conditions.

If you have any questions or require additional information, please feel free to contact either Kathleen Thomas at 414-220-4256 / kthomas@springsted.com or Ann Antonsen at 651-223-3057 / aantonsen@springsted.com.

We look forward to working with the City of Stevens Point and its employees on this important project.

Respectfully submitted,

A handwritten signature in black ink that reads "Kathleen A. Thomas".

Kathleen A. Thomas, Vice President
Client Representative

A handwritten signature in black ink that reads "Ann S. Antonsen".

Ann S. Antonsen, Vice President
Consultant

kmd

City of Stevens Point, Wisconsin Proposal to Provide a Compensation Study

2. Experience of Firm and Resumes

1. A Brief Description of the Organization and Service to Municipal Governments

Springsted is one of the largest and most established independent public sector advisory firms in the United States. For over 50 years, we have continually grown in the range of our client relationships, the comprehensiveness of our services and our prominence within the industry. Our managed growth is focused on providing clients with a balance of national perspective and local expertise.

Our headquarters are located in Saint Paul, Minnesota, with additional offices located close to our clients throughout the Midwest and Mid-Atlantic states. Specifically, our regional offices include Milwaukee, Wisconsin; Des Moines, Iowa; Kansas City, Missouri; Richmond, Virginia; Denver, Colorado and Los Angeles, California.

Public entities are under a great amount of pressure to deliver high quality services in a fiscally constrained environment. Traditional methods and means don't necessarily work anymore and this scenario is not likely to change at any time in the future. To that end, elected officials and public administrators are under pressure to employ new and innovative solutions that require progressive leadership, creative partnerships, cautious risk taking and an investment in their personnel and organizational foundation. Success in the public sector is hard to define, but those public entities that enhance and enrich their people, their process and their systems are more likely to deliver more value by maximizing the use of public resources, thus achieving more success in the marketplace of public opinion.

Springsted's staff has been advising our clients in organizational development for over 25 years. We have a strong staff with direct experience in managing and leading city, village and county governments. Our team of professionals brings practical, realistic and creative solutions to the challenges faced by public entities.

Our Human Resource focus is in the area of position classification, compensation and performance evaluation. Our work is competitive, current, court tested and copyrighted to deliver pragmatic outcomes.

Springsted Incorporated has been providing classification, compensation and benefits consulting services for approximately 25 years. We work specifically for local government entities, including cities, counties, towns, public agencies and some non-profit organizations. We do not work for private sector clients, instead focusing on our proud tradition of service to the public sector. We have provided these services for a wide range of public sector organizations, from those with fewer than 10 employees to those with more than 3,000 employees. In 2009 through 2011, we completed more than 90 classification and compensation projects; and in addition started and completed multiple compensation and classification projects in 2012 in various locations throughout the United States, including Wisconsin, Minnesota, Kansas, Missouri, Virginia, North Carolina, South Carolina, Georgia and Tennessee. Springsted can provide a comprehensive listing of classification and compensation projects upon request.

2. Experience and Qualifications of Project Team Members

Springsted's project team represents our most experienced staff members who are very familiar with performing classification and compensation studies for governmental entities in Wisconsin, similar in scope to those sought by the City of Stevens Point. Full team member resumes are provided in **Appendix I**.

Ann S. Antonsen

Vice President and Consultant



Ms. Ann Antonsen will serve as the Project Director, lead consultant and the City's primary contact for the study. Ms. Antonsen has conducted more than 200 classification and compensation studies throughout the country. Ms. Antonsen is a consultant with a strong background in organizational management and human resources that she uses effectively in developing position analyses, classification and compensation studies, developing performance management/evaluation systems, performance evaluation studies and in conducting executive search efforts for the public sector. She also specializes in performing organizational studies, developing personnel policies and manuals and in conducting organizational management training sessions. Ms. Antonsen has a bachelor's degree in Psychology.

Kathleen A. "Kathy" Thomas

Vice President and Client Representative



Ms. Kathy Thomas is the client representative for the City of Stevens Point and will serve as project coordinator providing project oversight. Ms. Kathy Thomas joined the Springsted Team in 2011. She provides financial advisory and other special consulting services to municipalities, schools, parks and counties on their issuance of debt transactions for capital projects. She has been in public finance since 1983 and has participated in more than \$6.9 billion in debt issuances. Ms. Thomas has managed various types of financings, for both refunding and new money purposes, including general obligation bonds, water and sewer/electric revenue bonds, special service area bonds, tax increment financing bonds, debt certificates and alternate revenue source bonds. She has been an underwriter as well, and brings a unique perspective to a transaction. Ms. Thomas is active in numerous professional organizations, including the Illinois Government Finance Officers Association, the Illinois County/County Managers Association, the Wisconsin Government Finance Officers Association, the Wisconsin City Managers Association, the Wisconsin Economic Development Association and the Municipal Treasurers Association of Wisconsin. She is a graduate of the University of Michigan and has her Series 63 and 7 securities licenses.

Rebecca J. "Becca" Edberg

Project Manager



Ms. Becca Edberg will serve as the Project Manager and secondary contact for the City. She joined Springsted's Management Consulting Group in the fall of 2008. She specializes in all facets of Human Resources, including classification and compensation studies and benefits review. Ms. Edberg has a degree in Human Resources Management from Winona State University in Minnesota.

3. Recent Classification/Compensation Study and Related Experience

As noted earlier, Springsted Incorporated has been providing classification, compensation and benefits consulting services for approximately 25 years. We work specifically for local government entities, including cities, counties, towns, public agencies and some non-profit organizations.

Pursuant to the adoption of Acts 10 and 32, the Wisconsin public sector employee environment has changed dramatically. The effective *dissolution* of public sector employee unions, except for public safety and transit, has increased the number of non-represented employees.

Municipalities across Wisconsin are now taking a serious look at their employee compensation and benefit programs to insure that they remain competitive with other municipalities in order to attract and retain quality employees.

In addition, municipalities are taking a closer look at their compensation systems to insure that they are internally equitable. Compensation levels that had previously been agreed to through union contract negotiations were typically based more on external comparables and those that could be agreed to at the bargaining table. Union compensation was not thoroughly evaluated in relation to non-represented employees' and compensation *compression* was created.

Municipalities are also recognizing the disparity between public and private employee compensation and benefit levels. Historically, public employees typically received lower wages, but enjoyed better benefits. Economic forces, however, impacted private sector employers many years ago resulting in private sector employees either having their compensation and benefit levels frozen or even reduced, thus, in many cases, reversing the historic relationship and having public sector employees begin to enjoy similar or better compensation and benefit packages.

In the last few years, Springsted has worked with a number Wisconsin communities to evaluate their classification and compensation systems, including benefit levels and public and private sector comparables, review/develop/update job descriptions, evaluate Fair Labor Standard Act (FLSA) classifications, and other tasks similar to those sought by the City of Stevens Point. Recent Wisconsin studies that have included some or all the related tasks include projects in the Cities of Racine, Pewaukee and St. Francis, Village of Slinger, Town of Buchanan and Dunn and Waukesha Counties.

We have provided a Sample Report in **Appendix II**.

3. History of Firm

Background of the Firm

Springsted is a women-owned business and is certified as a Women's Business Enterprise ("WBE") by the City of Saint Paul, Minnesota. Three employee-owners lead Springsted and our 65 staff members. Springsted has been serving Wisconsin clients, including, cities, counties, villages, towns, State agencies and various public entities since 1959. Wisconsin clients take advantage of our full array of services, including financial advisory, housing and economic development, organizational management and human resources, operational finance and fiscal planning and investments.

Presence in Wisconsin

We opened our Wisconsin office in the early 1980s, further demonstrating our long-term commitment to serving Wisconsin jurisdictions. Today, we serve these clients from both our Milwaukee, Wisconsin office and our corporate headquarters in Saint Paul, Minnesota. We know Wisconsin's needs because our representatives live and have worked in the State for years. Our commitment to the State's communities is long-standing and our success in serving our Wisconsin clients is demonstrated by *their* success.

4. Proposed Service Plan Stating How Firm Would Provide the Services

1. Description of Approach

It is our understanding that the scope of the project includes completing a compensation study for the City of Stevens Point's managerial and hourly employees. It is our understanding that the scope of the project includes an analysis of specific positions listed in this RFP, recommendations for an equitable wage schedule and compensation system, review and update of job descriptions, providing a method for ongoing evaluation and ranking of positions and implementation of a merit pay system.

Springsted has reviewed the scope of work and services requested by the City in its request for proposal (RFP) and commits to meet or exceed the City's expectations in a professional, timely and cost effective manner.

Springsted will conduct a study of the City's approximately 76 positions (45 managerial and 31 hourly positions). Springsted will assist the City in developing a compensation system which meets the goals established by the City and that can be easily maintained by the City. The system Springsted will develop will:

- Establish fair and equitable compensation relationships between positions within the City;
- Reflect relevant market conditions outside the organization and allow the City to recruit and retain qualified, quality employees;
- Apply to all City positions professionally, consistently and objectively;
- Include employee input and participation as an integral part of the study process;
- Accommodate organizational changes and growth; and
- Provide a strategic plan for implementation and ongoing maintenance in accordance with best practices.

Our experience and project approach takes into consideration two key variables: *process credibility* and *outcome credibility*. Process credibility is the realization to all involved, in particular the staff, that the methodology used is credible, reasonable and fair to all concerned. In addition, the information and communication must be transparent, honest and timely. Outcome credibility is the realization that the information and data used to develop the findings and conclusions is comprehensive, complete and applied consistently and appropriately without bias or preference to any particular person, persons or individual agenda. If these two objectives are realized, the recommendations, outcomes and future implementation are on a strong foundation. This distinction is unique in our business and is a contributing factor to the benefits and strengths of the Springsted team.

Springsted would value highly the opportunity to assist the City with its wage schedule and compensation system analysis. Our experience working with other comparable government entities gives us a thorough understanding of the scope of the study that the City is seeking. The services to be provided by Springsted include:

- Meetings conducted with administration and department heads to gain an understanding of the needs and expectations of the City and to collect information on City and Department structure, operations and staffing;
- Conducting employee orientation meetings — employees and supervisors complete Position Analysis Questionnaires (PAQs);
- Evaluating positions to determine internal comparability of City positions;
- Determining Fair Labor Standards Act (FLSA) and Wisconsin Wage and Hour status of City positions;
- Developing and conducting a comprehensive salary survey of comparable organizations – public and private – selected in conjunction with the City;
- An analysis of the pay structure for City employees based on both internal and external comparables;
- Providing recommendations for revisions to the City’s compensation plan including review and recommendations for a merit/performance pay system, including options for implementation based on the City’s financial resources that will enable the City to recruit and retain qualified employees, is competitive in the established market, eliminates compression and ensures fair and equitable internal compensation of City positions;
- Providing a manual and training of key City employees on maintaining the classification and job evaluation system and the compensation plan and how to place new positions within the classification, evaluation and compensation system and how to ensure the system remains internally equitable and competitive with the City’s established market;
- A presentation of study findings and final report to the City Council;
- Conducting classification appeals; and
- Reviewing all City policies and procedures and make recommendations as necessary to implement the new classification, compensation and performance management systems.

Conduct of the study will include evaluating the City’s competing labor market – both public and private employers. It should be noted that the collection of private sector data can prove to be difficult. Private sector employers are not required to disclose their compensation levels and many prefer to keep the information confidential for their own competitive reasons. Compensation levels are also oftentimes unique and outside of the possibilities for municipal government – such as signing bonuses, etc.

2. Work Plan

The proposed project approach and study methodology are outlined below. The scope of services, tasks and staffing necessary to successfully complete this project are discussed in other sections of this proposal. The project approach was developed to include employee and management involvement and communication which are essential for a successful study. Springsted is willing to adjust any aspect of this study to respond to the City’s needs.

A. **Project Initiation**

The Springsted Project Director will meet with the City's designated project manager for this study, and other appropriate personnel, to establish working relationships and to finalize a comprehensive work plan and timetable. At this meeting, we will request that the project manager provide us with the background materials necessary to conduct this study, including current job descriptions (in Word format), classification and compensation documents, the City's personnel policies, the past pay and classification studies completed and other relevant data.

This information will be evaluated to determine the status of existing human resource management programs and to identify apparent issues and opportunities. The purpose of the meeting is to:

1. Introduce the Project Director and the consulting team;
2. Discuss the background and experience of Springsted and the consulting team;
3. Discuss, in detail, the methodology to be used in conducting the study; the role of the consulting team, management and employees and the amount and type of employee participation;
4. Ascertain the major issues the City wants the study to address;
5. Review the project schedule and determine significant milestones;
6. Determine the frequency and content of status reports; and
7. Discuss methods of communicating the status of the study to employees.

In order to assess the existing compensation system, Springsted will meet individually with department heads to become familiar with department structure and service levels, hiring and retention issues, any concerns with the current compensation plan and any other issues that may need to be addressed during the course of the study.

B. **Data Collection**

Employees play a major role in providing the data needed for this study. Therefore, it is imperative that employees receive information about the study and why it is being conducted, be given opportunities for employee involvement throughout the process, learn the expected outcomes, as well as have the opportunity to ask questions and express concerns.

Springsted will conduct employee informational meetings to introduce the study, explain study procedures and answer any questions employees may have about the process. These meetings will be scheduled and conducted to ensure that all employees have the opportunity to attend and so as not to disrupt the operations of the City.

Employees will receive a Position Analysis Questionnaire (PAQ) at this time. The questionnaire provides an opportunity for each employee to provide input on education, training, certifications, licenses and experience requirements of the position and provide input on the various job factors which apply to their position. Springsted will spend time at the meeting reviewing the PAQ and responding to employee questions. Employees will also be asked to review the current job description for their position and provide input regarding suggested or required changes. The information gathered from the PAQs will provide the information to be used during the job evaluation process and, along with the City's updated job descriptions, to assist in gathering wage data from comparable organizations.

A sample PAQ can be found in **Appendix III**.

During the informational meeting(s), we will also explain the supervisors' roles in completing and signing off on the PAQs. The questionnaire is designed to allow supervisors to comment on employee responses without altering employee responses. This allows the consultant to review complete, unedited responses from employees and supervisors. Supervisors will also be asked to review job descriptions and provide input for change and on employee submitted revisions. In instances where the employee and supervisor view the position requirements differently, Springsted will conduct job audits as necessary to obtain more information. Audits will be scheduled to minimize disruption to City operations. If necessary, meetings can be scheduled at the beginning or end of a shift to facilitate employee attendance.

C. Preliminary Classification and Position Descriptions Review

Upon receipt of the completed PAQs and proposed job description revisions, Springsted will review the information provided by employees and their supervisors. Based on the information provided, Springsted will make recommendations for any changes in existing job descriptions, creation of new job descriptions and any revisions in the physical requirements and working conditions which may be necessary to assure compliance with the Americans with Disabilities Act. At this time, we will also review each position's designation under the Federal Fair Labor Standards Act. Revised and proposed job descriptions will be submitted to the City for review and comment. Springsted will make modifications to the descriptions as deemed appropriate. Any disputed content in job descriptions will be presented to the City's project manager for resolution.

D. Job Evaluation and Development of Pay Plan

In order to determine appropriate compensation levels of positions in the workforce and to address the issue of comparable compensation, Springsted will conduct a comprehensive salary survey to compare City positions with analogous positions in other comparable agencies – both public and private – in the area labor market. By gathering and analyzing information on wages and wage equivalents, a comparison of wages can be reviewed in relation to the City's established market area. External market comparisons for positions will be based on similar organizational structure, population, geographic location, job responsibilities, scope of authority, financial, socio-economic, growth and other relevant factors. The study team will consult with City management and designated staff in identifying the appropriate sources of survey data. Springsted will develop the salary survey in conjunction with the City.

It is recommended that potential survey data pertain to organizations comparable to the City of Stevens Point, relate to those organizations with which the City is competing for employees and represents the appropriate labor market. There are different labor markets for positions. Some positions are recruited from the local area, while others are recruited regionally and/or nationally. The consulting team will work closely with the staff in determining the appropriate labor market for positions.

While salary survey data will assist the City in establishing its position in the competitive market, job evaluation is the mechanism that ensures that internal relationships are equitable.

Springsted has developed and copyrighted a job evaluation system known as Systematic Analysis and Factor Evaluation (SAFE[®]) System. The SAFE[®] system is a unique job evaluation method designed to measure job factors that apply specifically to local government. This system has been successfully used for many years throughout the country and has been reviewed by the United States District Court, in conjunction with an Equal Employment Opportunity (EEO) suit, and

found acceptable to the Court. The system has also been accepted by the State of Minnesota under the requirements of the Local Government Pay Equity Act.

The system rates and ranks jobs based on various position required skill levels and work factors. The result is an equitable and consistent method of evaluating jobs and relating positions to the compensation plan. The system facilitates proper and equitable comparisons between and among positions, and minimizes the appearance of favoritism in evaluating, rating and ranking jobs.

Each position will be evaluated and assigned to an appropriate salary grade based on the classification system and prevailing rates paid by survey participants.

The elements considered in determining the relative value of classifications are:

- Training and Ability
- Level of Work
- Physical Demands
- Independence of Actions
- Supervision Exercised
- Experience Required
- Human Relations Skills
- Working Conditions/Hazards
- Impact on End Results

Upon completion of the study, the City will receive the SAFE[®] System for future use. This system can be maintained by the City. Springsted provides training to individuals assigned by the City to this task on utilizing the SAFE[®] System to evaluate newly created positions and re-evaluate revised positions.

Based on the wage data analysis and the job evaluation system, Springsted will develop a recommended compensation system. The compensation plan will be developed in accordance with information obtained from the City regarding its pay philosophy as well as goals and objectives established for its compensation program, including the option for a performance based component. In the development of the proposed compensation plan, Springsted will attempt to equal the market rate for all positions and identify any deviations from the market rate in writing in the Final Report prepared for the City. Springsted will review options with the City to address compensation plan structure, the spread for pay ranges, compression issues, the relationship between ranges and adjustments needed to ensure that the City remains competitive with the labor market.

E. Development of City's Compensation Policy

A pay philosophy guides the design of a compensation system and answers key questions regarding pay strategy. It generally takes a comprehensive, long term focus and explains the compensation program's goals and how the program supports the employer's long-range strategic goals. Without a pay philosophy, compensation decisions tend to be viewed from a short-term tactical standpoint apart from the organization's overall goals.

Market competitiveness and internal equity are among the most important areas addressed in a pay philosophy. An organization's desired market position involves defining the market and identifying where the organization wants to be positioned within that market. Market position should balance what it takes to attract new employees and retain skilled employees (in other words, eliminate higher pay/benefits as the reason(s) employees leave the organization) with the organization's financial resources. Internal equity expresses an organization's desire to provide comparable pay to positions with comparable duties and responsibilities.

A pay philosophy should be developed that establishes a compensation program based on individual employee performance as a key feature of the pay philosophy. Therefore, we emphasize references to performance in the pay philosophy discussion.

As part of the study, it is recommended that the City consider these concepts in the adoption of a formal pay philosophy:

- Providing fair and equitable rates of pay to employees;
- Defining the City's market area;
- Developing a system that establishes a "market rate" for each position and states the minimum wage and maximum rates that the City will pay individuals within a position;
- Establishing rates of pay that allow the City to compete successfully for new employees within its market area;
- Establishing a market position that is fiscally responsible with public resources;
- Ensuring that pay rates for existing employees are based on individual performance that meets or exceeds expectations and reflects changing economic conditions;
- Developing a compensation system that allows employees to progress through the pay range as long as their performance consistently meets expectations;
- Developing pay administration policies and procedures that ensure their consistent application between departments; and
- Ensuring that the compensation program is understandable to employees, supervisors, managers, the Common Council and the public.

F. Employee Communications

Springsted will develop a communications strategy to inform employees of job evaluation and pay grade assignments. Employee communications will be developed explaining the study methodology, employee input opportunities, study recommendations and the process used for reviewing requests for reconsideration by employees who do not agree with the assigned classification.

G. Implementation Strategy

Springsted will propose a plan to implement the study recommendations that coincides with the financial and budgetary requirements of the City of Stevens Point and the needs of employees. An estimate of the cost of implementation will be provided.

H. Staff Training

At the conclusion of the study, Springsted will train members of the staff in the methodology used to develop, maintain and update all aspects of the compensation plan and how to determine the validity of requests for reclassification. The training program will include the rating, ranking and salary grade assignments of positions. Instruction manuals pertaining to the SAFE[®] job evaluation system will be prepared and presented. The Springsted team will remain available to the staff for additional consultation after the study has been completed.

I. **Final Report**

The final report will be a document which contains the following:

- A detailed study methodology;
- Discussion of the consulting team's findings, conclusions and recommendations regarding salary structure, compensation philosophy, pay and compensation mechanisms, estimated cost and implementation plan;
- List of positions and the assignment of each to a salary grade;
- Identification of positions that are exempt from FLSA overtime requirements;
- Salary survey results; and
- Job evaluation factor analysis for each position.

Springsted staff will meet with designated City officials to present and explain the findings outlined above at a time designated by the City's project manager.

Copies of study documents will be provided in both written (in a number to be identified by the City) and electronic form.

J. **Classification Appeals**

Upon adoption of the classification and compensation plan, employees may disagree with their assigned classification. Employees will be able to submit a written appeal based on their Position Analysis Questionnaires (PAQ). Employees will be asked to document and identify any required duties and qualifications for their position that were not previously noted on their PAQ or that they believe should be given greater consideration. Springsted's decisions on all appeals will be completed within three weeks of their submittal.

K. **Post Contract Maintenance**

Springsted Incorporated can provide ongoing assistance to clients after completion of a classification and compensation study. Post-contract maintenance services include assisting the City with development of new or revised job descriptions, assignment of positions to the classification plan, determining the FLSA status of a new or revised position, and conducting job evaluations for reclassification requests and new positions created by the City.

Springsted will assist the City in the revision or development of policies and procedures for administering and maintaining the classification and compensation plan, including policies concerning requests for reclassifications, compensation plan administration and adjustments and how employees move through the adopted wages schedule.

3. **Recommendation for Annual or Ongoing Maintenance**

After initial implementation is achieved, the City will need to develop administration procedures that provide for annual salary adjustments based on market and economic conditions and adjustments that recognize individual performance.

Employee Adjustments. Employees will most likely move through the wage schedule based on years of service and performance factors. Those employees with above satisfactory performance could move through the wage schedule in a shorter time frame. Or the City could

make movement through the scales based entirely on performance, or some combination of the two up to the point that the employee reaches the mid-point (market rate) of their pay grade.

Base Adjustments. In subsequent years it will be necessary for the City to adjust the salary schedules based on cost of living and other factors such as recruitment and retention issues. The City can establish a guideline for determining annual base adjustments. For example, the City could base its adjustment on the Consumer Price Index (CPI), the State’s Expenditure Restraint Program (ERP) or levy limit restrictions. The City could also contact comparable jurisdictions to find out what percentage adjustment they are making to their pay scales as a second level of verification of the pay range adjustment. This would also ensure that the City maintains marketability among comparable regional organizations.

As an example, if the CPI increase is 3.0% a 3.0% increase would be applied to the pay scale. In addition, employees would move to the next step of the wage schedule on their anniversary date, based on satisfactory performance. By making this base adjustment to all employee salaries, the City ensures that employees will not again fall behind the market.

Comprehensive Review. A comprehensive review of the pay and classification system, in particular conducting an updated market survey, should be completed every five (5) years to insure that the City’s system is competitive with its labor market.

The annual maintenance and/or comprehensive review can be completed by City staff. Springsted can also provide, as requested, ongoing assistance to the City in the review and maintenance of the compensation plan.

5. Estimated Number of Hours to Accomplish the Services

Timeline

The schedule is assumed for this project to commence in early May – which coincides with Springsted’s completion of other studies. This will ensure that the proposed staff members will be available to concentrate on this study for the City of Stevens Point. Springsted is prepared to initiate the study within three (3) weeks after receiving the official notice to proceed, and will complete the study by the end of August as requested.

Task	June	July	August
Project Initiation	■		
Data Collection	■		
Job Evaluation	■		
Analysis of Market Survey Data		■	
Development of Pay Plan		■	
Draft Plan Report Review			■
Submit/Present Final Report			■

There are factors that impact meeting the schedule that are beyond the consulting team's control. The proposed time frame is contingent upon a timely decision, the receipt of the data from the survey participants when requested, the availability of employees to complete position analysis questionnaires and participate in interviews, and the timely receipt of feedback and comments on the submitted preliminary data.

The total number of consultant hours necessary to complete the City of Stevens Point's pay and classification study is estimated to be approximately 141 hours.

Total Timeframe

Completion of such study would routinely take five (5) months to complete. Springsted will work to expedite the completion of the study as much as possible in order to have it completed by the City's requested August 31, 2013 deadline. Completion will require prompt attention and completion by City staff as well as the salary survey participants.

6. Proposed Cost

Springsted Incorporated will perform the tasks as outlined in this proposal for the professional fee of \$24,700. The fee for the project excluding the hourly positions would be \$14,950. In addition to the professional fee, Springsted would bill the City for out-of-pocket expenses such as travel, copying, etc. in an amount not-to-exceed \$2,500. This fee includes 76 positions, employee orientation sessions, individual meetings with Department Heads, one meeting with the City Council as well as required meetings with City administration and developing three implementation options.

Future reviews of positions for evaluation or re-evaluation would be available for a fee of \$225 per position. Review of City prepared evaluations will be no charge.

If the City chooses to perform some of the aspects of this project, the fee would be subject to change dependent on the level of involvement of the City and of Springsted.

Payment Schedule

The payment schedule for the services outlined in this proposal will be as follows:

Payment Schedule	
Completion of employee orientations	15%
Delivery of classification and compensation plan	50%
Delivery of final report	100%

APPENDIX I
Resumes

Ann S. Antonsen
Vice President
Consultant

Ann Antonsen is an organization and management consultant, specializing in position analyses, classification and compensation studies, performance evaluation studies and in conducting executive search efforts for the public sector. She performs organizational studies, develops personnel policies and manuals and conducts organizational management training.

Ms. Antonsen has chosen to bring her wide-ranging skill sets to Springsted, where she will serve clients nationwide. With her strong background in Organizational Management and Human Resources, she will be dedicated to using her well-honed abilities to assist governmental agencies in developing and growing meaningful legacies. Ms. Antonsen has extensive experience in serving government organizations. Most recently, she has worked as a consultant with Labor Relations Associates, Inc., which has served the region for many years, providing management and human resources consulting services. Ms. Antonsen has provided human resources management services for large suburban communities and regional centers. She brings practical experience in handling the wide variety of issues that face public management. Additionally, she has related human resources experience in both public associations and private corporations.

Education

University of Minnesota, Minneapolis, Minnesota
Bachelor of Arts in Psychology
Continuing Legal Education Courses

Professional

International Public Management Association in Human Resources (IPMA)

Kathleen A. Thomas
Vice President
Client Representative

Ms. Thomas joined the Springsted Team in 2011. She provides financial advisory and other special consulting services to municipalities, schools, parks, and counties on their issuance of debt transactions for capital projects. She has been in public finance since 1983 and has participated in more than \$6.9 billion in debt issuances. Ms. Thomas has managed various types of financings, for both refunding and new money purposes, including general obligation bonds, water and sewer/electric revenue bonds, special service area bonds, tax increment financing bonds, debt certificates and alternate revenue source bonds. She has been an underwriter as well, and brings a unique perspective to a transaction.

Ms. Thomas' expertise includes reviewing proposals from underwriters, structuring the transactions, preparing the official statements and preparing the issuer for in-person or over the phone meetings with rating agencies. Ms. Thomas is able to provide her clients financial advice on the entire debt issuance process, in both competitive and negotiated sales.

Ms. Thomas most recently headed her own municipal consulting firm, Kathy Thomas Consulting LLC. Prior to starting her own firm, she was a senior manager for one of the top 10 accounting and consulting firms in the country, Crowe Horwath, serving as financial advisor to local governments. In addition, she served in a business development capacity selling their management consulting services throughout the Cook and collar counties in Illinois. Before working for Crowe, she worked for Oppenheimer & Co. and First Trust Portfolios from 2004 to 2008, helping them build their investment banking departments for expansion into the Chicago area market. From July 1997 until August 2000, Ms. Thomas was client manager of the Chicago office of Minneapolis-based Evensen Dodge, one of the top financial advisory firms in the country. Prior to that, she was a principal of her own financial advisory firm, Thomas & Davis, Inc. in Chicago, Illinois, January, 1993 through June, 1997. From 1983 through 1992, Ms. Thomas advanced the standing of Flatland, Thomas & Company (originally Flatland, Hinners & Company), where it became one of the top independent financial advisory firms in the State of Illinois.

Education

University of Michigan
Bachelor of General Studies

Affiliations

Wisconsin Government Finance Officers Association
Wisconsin City Managers Association
Wisconsin Economic Development Association
Municipal Treasurers Association of Wisconsin
League of Wisconsin Municipalities
Wisconsin Counties Association
Illinois Government Finance Officers Association
Illinois City/County Managers Association

Professional

Securities Licenses Series 7 and 63

Rebecca J. Edberg
Project Manager

Rebecca Edberg joined Springsted in November 2008, working as a Project Manager with the Management Consulting Services Team. She provides technical support and assistance to clients through our human resources services line, focusing on compensation studies, executive searches and organizational management projects.

Mrs. Edberg specializes in all facets of human resources, including classification and compensation as well as benefits reviews. She has prepared offer letters, non-disclosure and non-compete documents, classification and compensation studies and performance review programs. Her previous experience includes counseling managers through employee hiring and termination processes, preparing personnel policies, conducting human resources compliance and benefit reviews and creating professional development programs.

Prior to employment with Springsted, Mrs. Edberg worked in various human resources departments in private for-profit and nonprofit organizations, where she focused on strategic management, workforce planning and employment, human resources development, employee rewards and employee relations and risk management.

Education

Winona State University, Winona, Minnesota
Bachelor of Science Degree in Human Resources Management

Affiliations

Society for Human Resource Management (2002-present)
Twin Cities Human Resources Association (2006-present)
Delta Sigma Pi Professional Fraternity (2003-present)

Professional

Professional in Human Resources Certification

APPENDIX II
Sample Report



Final Report

City of Anywhere, Minnesota

Classification and Compensation Study

August 15, 2011

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Mission Statement

Springsted provides high quality, independent financial and management advisory services to public and non-profit organizations, and works with them in the long-term process of building their communities on a fiscally sound and well-managed basis.



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LETTER OF TRANSMITTAL

August 15, 2011

Re: **Classification and Compensation Final Report**

Springsted Incorporated is pleased to provide the City of Anywhere with the completed Classification and Compensation Study. This Study provides an overview of the City's current compensation and classification system and our final report, including the methodology used to revise position descriptions, job evaluation results, compensation plan and options for implementing a new compensation program.

This Study represents a thorough and comprehensive review of all aspects of the City's classification and compensation system. The recommendations offered in this Study will increase the market competitiveness of the City's compensation program for its employees within the regional marketplace and provide increased internal equity among positions. Implementation of these recommendations will help the City attract new employees and assist in retaining current employees needed to meet the City's service demands.

Springsted expresses its thanks to the City of Anywhere staff who completed Springsted's Position Analysis Questionnaires and participated in job audits, and to City staff for providing information and feedback throughout the phases of the Study. Springsted, Incorporated appreciates the privilege of serving the City of Anywhere and hope that we may be of assistance to you in the future.

Respectfully submitted,

Ann Antonsen

Ann Antonsen
Consultant

1. Introduction

The City of Anywhere, Minnesota, retained Springsted Incorporated to conduct a Classification and Compensation Study of the City's positions in the fall of 2010. The Study represents a comprehensive review of the components that affect an organization's compensation program – position descriptions, current compensation structure, the City's pay philosophy, regional market competitiveness of City salaries, the internal equity of salaries paid to comparable City positions, fringe benefits, and ongoing maintenance and administration of the compensation system.

A classification and compensation system provides the framework for determining how employees will be paid. As a general rule, most organizations conduct new classification and compensation studies approximately every five to seven years ensuring their ability to hire and retain qualified employees and that internal relationships are equitable. The external market comparison is important because it ensures that the compensation plan is adequate to attract new employees and retain existing employees.

If compensation levels fall below those in the regional marketplace:

- The organization will experience difficulty hiring people
- Increased employee turnover as employees seek jobs with other organizations that will pay the market rates for their skills and abilities

Organizations should expect some employee turnover, but when it becomes excessive turnover has a serious impact on the organization's overall effectiveness. Advertising costs are a measurable component of turnover, and as the City moves through the selection process the time spent by current employees covering the void left by the departing employee often diverts their attention from their day to day responsibilities creating overtime demands and often frustration on the part of the remaining employees as they attempt to meet deadlines and maintain acceptable levels of service. These are some of the hidden and non-quantifiable costs associated with turnover.

In addition, time spent by City staff participating in the recruitment and selection process for new employees:

- Often diverts focus from their other duties and responsibilities
- Slowing progress on meeting established goals
- Adding to frustrations in meeting other job objectives beneficial to the City

There is also a substantial cost to turnover that comes with training new employees. Employees receive significant on-the-job training which diverts the attention of other employees away from their regular duties to assist in training. Organizational effectiveness is affected as employees train new employees as those new employees endeavor to become proficient in their job.

While these costs are not necessarily visible in expense reports, they will show up in performance data in the form of reduced service outcomes.

The following Study documents the comprehensive review and evaluation of the City's existing classification and compensation system and the methodology used to develop a new classification and compensation system. The Study was conducted with extensive participation and input from City employees. Department heads were interviewed concerning the nature of their operations and discussed particular issues they were having with employee recruitment and retention. City employees supplied information about the work they perform by employees and their supervisors completing Position Analysis Questionnaires (PAQs) and reviewing current job descriptions and providing information on changes in essential duties and responsibilities or job requirements. Positions were then evaluated by Springsted using the Systematic Analysis and Factor Evaluation (SAFE[®]) system. The SAFE system provides a consistent and objective approach to evaluating jobs by applying standard criteria to the training and experience needed to perform the job, the level of complexity in the work performed, working conditions, the impact of end results and the consequences of error.

A compensation survey was developed and comprehensive wage and benefit data was collected from comparable regional employers. The results of the job evaluation and the salary survey data were used to create a salary curve which served as the foundation for creating a revised classification and compensation program. The compensation program structure relied upon a review of pay philosophy concepts that included:

- Providing fair and equitable compensation to employees
- Maintaining a competitive pay structure that takes into consideration the City's fiscal resources
- Ensuring that employee compensation is based on individual performance that meets or exceeds expectations, and reflects changing economic conditions
- Providing consistent administration of pay policies and procedures among all City departments
- Evaluate additional compensation and fringe benefits in comparison with comparable employers
- Developing recommendations for modifications to the current compensation system that addresses internal equity and external market competitiveness and which meets the requirements of the State of Minnesota Local Government Pay Equity Act

This final report represents the culmination of the Classification and Compensation Study. It reflects significant City staff involvement, including their participation and attendance at orientation meetings held in October of 2010, and submission of Position Analysis Questionnaires. Members of the Springsted team also met with City department heads to learn about the City's

operations. These interviews also provided an opportunity for department heads to explain staffing problems affecting their operations that could be addressed through the Study.

A comprehensive salary survey was also conducted as part of this Study. Survey recipients were selected during a work session with the City Council, based on demographics and geographic proximity. Fourteen public entities, listed below, were invited to participate in the survey:

- City of Brooklyn Center
- City of Brooklyn Park
- City of Columbia Heights
- City of Crystal
- City of Fridley
- City of Golden Valley
- City of Hopkins
- City of New Brighton
- City of Plymouth
- City of Richfield
- City of Robbinsdale
- City of South St. Paul
- City of West St. Paul
- City of White Bear Lake

The cities of Brooklyn Park and Plymouth were selected based on its geographic proximity to the City of Anywhere, therefore the data was used for informational purposes only. The remaining cities were selected based on their similarity to the City of Anywhere and were utilized in the preparation of recommendations for the City for implementation.

The cities of Brooklyn Park, Columbia Heights, Fridley and Hopkins did not participate in the survey, however, we were able to gather their information from the League of Minnesota Cities survey, providing an excellent response rate of all of the identified regional organizations. The cities of Robbinsdale and White Bear Lake did not respond to either our requests for information nor to the League of Minnesota Cities until the end of July resulting in a delay in the analysis of the information and development of recommendations for the City of Anywhere.

Survey respondents were asked to provide information on only those City of Anywhere positions which they considered to be comparable to positions in their organizations. Therefore, survey respondents did not provide data for every position surveyed.

2. Methodology

Springsted, Incorporated used the following methodology to develop recommendations for the City of Anywhere:

1. Springsted met with the Human Resources Manager to establish a working relationship and gain an understanding of the needs and expectations of the City. This also provided an opportunity to discuss the City's goals in reviewing the compensation and fringe benefits offered to the City's employees, review current policies and practices relating to the City's existing pay practices, and obtain data on the programs and materials currently in use.
2. All department heads were provided information explaining the purpose of the study and Springsted's approach to conducting the study. Individual meetings were conducted with each department head to collect data on department structure, operations, and staffing along with identifying any specific departmental needs and concerns related to this study.
3. An employee orientation session was conducted by Springsted explaining the study process and answering questions. This meeting also provided an opportunity for employees to voice concerns and have input into the study.
4. All employees received Position Analysis Questionnaires (PAQs) and instruction sheets. They were encouraged to participate in the study by using the PAQ to respond to questions on characteristics and factors applicable to their position. Each employee's supervisor then reviewed the completed questionnaires for completeness and accuracy and provided any additional information they felt was relevant to the position. Employees and their supervisors were also asked to review current job descriptions and provide information on changes in essential job duties and responsibilities, and any changes in required education and experience, and other knowledge, skills and abilities.
5. Information was gathered from the City on the current compensation structure, current bargaining unit contracts, current job evaluation points, current benefits, and existing job descriptions covering the positions included in the study.
6. Springsted developed a comprehensive wage and benefits survey which included requests for general information on compensation policies, such as whether an open range or step system was utilized, years to maximum, number of steps if utilized, and percentage between steps and grades.
7. Information was also gathered on minimum, maximum and actual wage information for all positions, information on any additional compensation such as longevity pay, pay for performance, bonuses, and information on a wide variety of fringe benefits, including holidays, vacation, sick leave,

insurances, deferred compensation, uniform allowance and any other additional compensation.

8. Using the salary and benefits data supplied by comparable government organizations recommendations were created for modifications to the City's current compensation system.
9. Guidelines for implementation and ongoing administration of the compensation program were developed. These guidelines provide for annual adjustments to the salary schedule ensuring that the City's pay scale stays current with changing economic and market conditions. The guidelines also provide for annual salary adjustments based on employee performance that meets or exceeds job expectations.

3. Findings and Recommendations

Conducting a comprehensive compensation study involves the analysis of substantial quantities of data collected from comparable employers and the City. We have evaluated the City's existing compensation program based on our analysis of the study data and the survey results. Using this information, we have developed recommendations for modifications to the City of Anywhere's compensation system.

A. Evaluation of the Current Compensation Program

Discussions with City personnel and a review of current compensation data indicates that many of the positions in the City of Anywhere are under-compensated in relation to other comparable organizations. Other findings indicate a wage problem demonstrated by:

- Concerns about the potential for future employee turnover as employees reach retirement or because employees choose to leave the City to take higher paying jobs or promotional opportunities with other employers
- Difficulty hiring new personnel, especially for specialized positions such as technical, public safety and managerial
- Positions with comparable responsibilities requiring comparable education and experience that are assigned to different pay ranges

B. Pay Philosophy

A pay philosophy guides the design of a compensation system and answers key questions regarding pay strategy. It generally takes a comprehensive, long term focus and explains the compensation program's goals and how the program supports the employer's long-range strategic goals. Without a pay philosophy, compensation decisions tend to be viewed from a short-term tactical standpoint apart from the organization's overall goals.

Market competitiveness and internal equity are among the most important areas addressed in a pay philosophy. An organization's desired market position involves defining the market and identifying where the organization wants to be positioned within that market. Market position should balance what it takes to attract new employees and to retain skilled employees (in other words, eliminating higher pay as the reason employees leave the organization) with the organization's financial resources. Internal equity expresses an organization's desire to provide comparable pay to positions with comparable duties and responsibilities.

A pay philosophy should be developed that establishes a compensation program based on individual employee performance as a key feature of the pay philosophy. Therefore, we have emphasized references to performance in the pay philosophy discussion. As part of this Study, it is

recommended that the City consider these concepts in the adoption of a formal pay philosophy:

- Providing fair and equitable rates of pay to employees
- Defining the City's market area
- Developing a system that establishes a "market rate" for each position and states the minimum wage and maximum rates that the City will pay individuals within a position
- Establishing rates of pay that allow the City to compete successfully for new employees within its market area
- Establishing a market position that is fiscally responsible with public resources
- Ensuring that pay rates for existing employees are based on individual performance that meets or exceeds expectations and reflects changing economic conditions
- Developing a pay system that allows employees to progress through the pay range as long as their performance consistently meets expectations
- Developing pay administration policies and procedures that ensure their consistent application between departments
- Ensuring that the compensation program is understandable to employees, managers, the City Council, and the public

C. Defining and Evaluating Job Classes

City employees completed individual Position Analysis Questionnaires (PAQs). Supervisors reviewed the PAQs and provided information for each position. Employees and supervisors both responded to questions regarding education and experience requirements, various job factors affecting positions, working conditions and the physical requirements of each job in compliance with the Americans with Disabilities Act (ADA).

Employees also provided information regarding any changes in essential duties and responsibilities. We examined the PAQs and requested job description changes carefully to review the type of work performed and the qualifications of positions. If the work performed is essentially the same, positions can be consolidated into one job class, such as Administrative Assistant. Consolidating job titles, if practicable, can be beneficial for an organization as it can promote internal equity, particularly with comparable positions that exist in different departments. It also gives greater flexibility to supervisors in assigning work and supports employee cross training and professional development.

All job classes were reviewed to determine those positions that can be exempted from the overtime provisions of the federal Fair Labor Standards Act (FLSA) consistent with the regulations which took effect on August 23, 2004.

With the completion of the review of job descriptions, we utilized the SAFE job evaluation system, to review and rate each City position. The factors considered in determining the relative value of classifications are:

- Training and Ability
- Level of Work
- Physical Demands
- Independence of Actions
- Supervision Exercised
- Experience Required
- Human Relations Skills
- Working Conditions/Hazards
- Impact on End Results

D. Developing A Salary Schedule

The process of developing a salary schedule draws substantially from market data. This data is obtained by conducting a survey of other comparable employers within the City's defined market. Respondents are asked to provide information about the structure of their pay plans, the minimum, maximum and actual salary rates of positions, years to maximum, number of steps, and information on additional compensation if relevant.

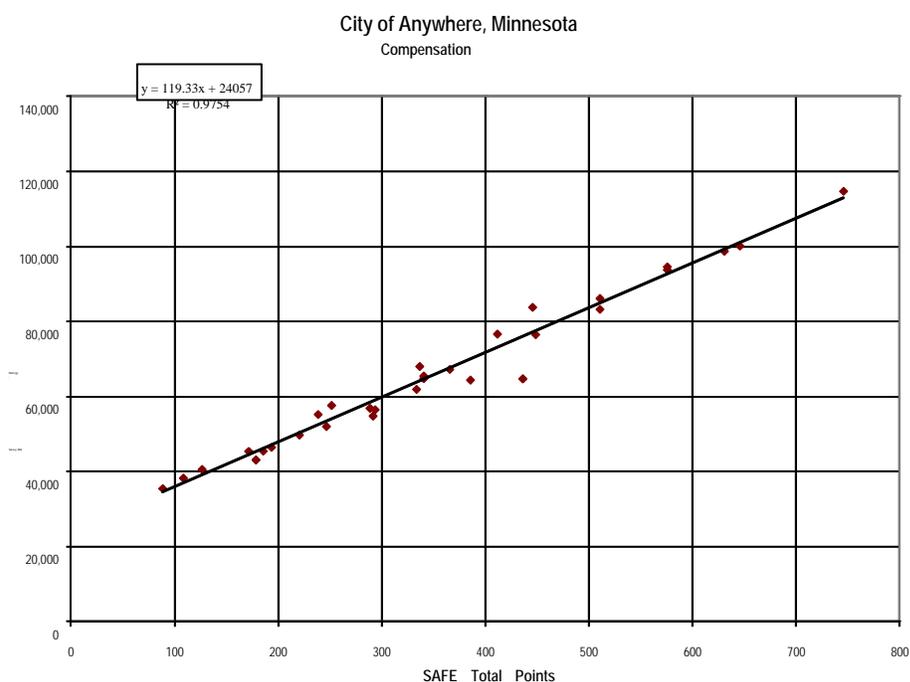
Survey Results. The salary survey included a series of questions designed to obtain information on a variety of pay practices. This survey was conducted using data from comparable employers in the region. Of the 38 positions included in the survey, the information for 32 positions was used in analyzing the salary data. Three positions were not used in the overall analysis as they were included as a part of the analysis of the police department structure and staffing levels and were not positions that are part of the organizational structure of the City of Anywhere. One position was not included as there was no information provided by any of the survey participants and two were not included as there was no consistency in the information provided. A review of the salary ranges indicates that the salary ranges for the majority of the City of Anywhere positions included in the survey are below those of comparable organizations. City of Anywhere minimum salaries are, on average 6.72% below the market, midpoint salaries are 5.06% below and the maximums of the salary ranges are 4.27% below the average maximums reported by the survey participants.

A summary of the market survey results can be found in Appendix I.

Compensation Plans. A review of the compensation programs of the survey participants indicates that of the 9 organizations that completed the fringe benefit portions of the survey 7 utilize a step system, 1 uses an open range

system and 1 uses both types of systems. The number of steps varied from 5 to 7, with an average of 6 steps. The percentage between steps varied from 3 to 5 percent, with an average of just over 4% between steps. The number of grades in the pay plans averaged 18 with an average spread from minimum to maximum of 22%. The spread between grades ranges from 5% to 7% with an average of 6% between grades.

Designing the Salary Schedule. The first step in designing a compensation plan is to create a salary curve using the salary survey data for the City's positions and the corresponding job evaluation point factors for each position. This data produced the salary curve shown below. Any given point on the salary curve identifies where the market salary rate and the job evaluation point factors intersect.



The recommended compensation plan was designed by establishing 30 pay grades with a 6 percent spread between pay grades. The midpoint of each pay grade generally corresponds with the market as defined by the salary survey. Each grade has 6 steps with 4% between steps. The recommended compensation plan for the City of Anywhere can be found in Appendix II of this report.

The consultant then assigned each position to the appropriate salary grade in the salary schedule. The List of Positions and Assignment to Salary Grade is shown in Appendix III.

It is recommended that as part of this compensation plan, individual employee movement between the steps be based on individual employee performance. Employees should only receive step increases if their performance is satisfactory or better.

An established performance evaluation includes ongoing training of the system ensuring that supervisors in all departments consistently apply performance standards. When compensation is based on performance, employees look for assurance that managers will honestly evaluate performance and not inflate ratings in order to obtain a higher salary for particular employees. Generally, such systems provide for a review by the City Manager's Office to provide a mechanism that helps supervisors apply performance standards consistently for all employees.

When pay is based on performance, the evaluation system often provides for reviews at six or 12 month intervals, so employees know how supervisors view their performance and have the opportunity to improve performance and their prospect for a pay increase. Employees who have satisfactory or better performance evaluations should expect annual wage increases.

4. Implementing the Recommended Salary Plan

A. Implementation

Employees can be placed onto the recommended wage schedule in several ways. To estimate implementation costs we used current 2011 employee salaries supplied by the City for all departments.

Option 1

In Option 1 individual employees whose current wage is below the minimum of the proposed range would be placed on the first step of the proposed range for their position. Of the City’s 93 employees, 11 employees or 12% of the City’s workforce are compensated at a level which is below the minimum wage of the proposed wage scale for their position. The annual cost to bring these employees to the minimum of their proposed scale is \$47,321.95, which is 0.92% of the City’s total payroll.

Option 1 - Move to Min

	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	93	5,123,962.88	5,171,284.83	47,321.95	0.92%
Employee Below Min	11	624,266.24	671,588.19	47,321.95	7.58%
Employee Within Range	72	3,942,460.48	3,942,460.48	-	
Employee Above Max	10	557,236.16	557,236.16	-	
Non	3	267,460.96	281,774.78	14,313.82	5.35%
LELS-O	4	196,229.28	217,518.44	21,289.16	10.85%
LELS-S	-	-	-	-	
49ERS	4	160,576.00	172,294.98	11,718.98	7.30%

Option 2

This option would place employees within the proposed schedule on the step closest to their current actual wage, without an employee receiving a decrease to their current wage. The cost to place these individual employees onto the step closest to their current wage is \$87,296.95. This results in a total cost, along with the employees who are moved to the minimum of the range of \$134,617.96, which is a 2.63% increase.

Option - Next Step

	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	93	5,123,962.88	5,258,580.84	134,617.96	2.63%
Employee Below Min	11	624,266.24	671,588.19	47,321.95	7.58%
Employee Within Range	72	3,942,460.48	4,029,756.49	87,296.01	2.21%
Employee Above Max	10	557,236.16	557,236.16	-	
Non	3	267,460.96	281,774.78	14,313.82	5.35%
LELS-O	4	196,229.28	217,518.44	21,289.16	10.85%
LELS-S	-	-	-	-	
49ERS	4	160,576.00	172,294.98	11,718.98	7.30%

Option 3

The third option to be considered is to move employees onto the proposed wage schedule based on their years of service with the City. For example, an employee who has been employed with the City for 5 years would be placed on step 6 on the proposed wage schedule, regardless of the increase. This is the most costly of the scenarios. The total cost for this option is \$232,850.28, which is a 4.54% increase.

Option 3 - Yrs of Svc

	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	93	5,123,962.88	5,356,813.16	232,850.28	4.54%
Employee Below Min	11	624,266.24	684,477.75	60,211.51	9.65%
Employee Within Range	72	3,942,460.48	4,115,099.26	172,638.78	4.38%
Employee Above Max	10	557,236.16	557,236.16	-	
Non	3	267,460.96	294,664.33	27,203.37	10.17%
LELS-O	4	196,229.28	217,518.44	21,289.16	10.85%
LELS-S	-	-	-	-	
49ERS	4	160,576.00	172,294.98	11,718.98	7.30%

B. Ongoing Administration

After initial implementation is achieved, the City will need to develop administration procedures that provide for annual salary adjustments based on market and economic conditions and adjustments that recognize individual performance.

Employee Adjustments. Employees will move through the wage schedule based on years of service and performance factors. An employee hired at the minimum wage rate who maintains satisfactory performance will move from the minimum to the maximum wage rate in approximately 5 years. Those with above satisfactory performance could move through the wage schedule in a shorter time frame.

Base adjustments. In subsequent years it will be necessary for the City to adjust the salary schedules based on cost of living and other factors such as recruitment and retention issues. The City can establish a guideline for determining annual base adjustments. For example, the City could base its adjustment on the Consumer Price Index (CPI). The City could also contact comparable jurisdictions to find out what percentage adjustment they are making to their pay scales as a second level of verification of the pay range adjustment. This would also ensure that the City maintains marketability among comparable regional organizations.

If the CPI for example, is 3.0 a 3.0 percent increase would be applied to the pay scale. In addition, employees would move to the next step of the wage schedule on their anniversary date, based on satisfactory performance. By

making this base adjustment to all employee salaries, the City ensures that employees will not again fall behind the market.

C. Review of Fringe Benefits

The local government organizations that responded to the salary survey also provided information about their fringe benefit programs. Several observations can be made based on a review of the survey data.

- Holiday leave varies from 9 to 12 days per year, with an average of 11 holidays, 7 of the organizations also offered floating holidays. The City of Anywhere provides 10 days of holiday leave and 2 floating holidays per year for a total of 12, which is consistent with that provided by the survey participants.
- Eight of the organizations provide traditional vacation and sick leave plans, 3 provide Paid Time Off in lieu of vacation and sick leave. The City of Anywhere provides both dependent on the employee group. Paid Time Off for the 3 cities ranged from 17 to 21 days for years 1 through 3 years of service with an average of 18 days. For 4 and 5 years of service, the average number of days is 19 with a range of 17 to 23 days. Eighteen to 23 days of PTO are provided after 5 years of service, with an average of 21 days. An average of 24 days of PTO is provided after 10 years of service, an average of 25 days after 13 years of service, an average of 28 days after 16 years of service and an average of 31 days after 20 years of service. The City of Anywhere is below the average in annual PTO leave.
- Vacation leave schedules vary with organizations providing 0 to 18 days of leave during the first 5 years of employment with an average of 11 days. After 5 years of service, employees receive 15 to 18 days of vacation leave with the average of 16 days. After 10 years of service, employees receive between 16 to 24 days of annual vacation leave with an average of 19 days. After 13 years of service, the average annual leave is 20 days with a range of 18 to 24 days of leave. After 16 years of service, employees receive 20 to 26 days of leave with an average of 21 days. Once employees achieve 20 years or more of service, annual leave ranges from 20 to 26 days with an average of 23 days. The City of Anywhere is slightly below the average for all years of employment, with 10 days of leave in the first 5 years, 15 days in years 6 through 10 with 1 additional day of leave per year of service up to 15 years of service with a maximum of 25 days of vacation leave per year. Carry over of paid time off or annual vacation leave into the next year ranges from 25 to 67 days of leave with an average of 37 days which is above Anywhere's allowable carry over of 25 days of vacation or 30 days of PTO. Maximum accumulation of annual leave ranges from 25 days to unlimited days with an average of 37 days. These comparisons include both vacation and paid time off.
- Annual sick leave accumulation among survey respondents is 12 days per year for all respondents which provide the traditional vacation/sick leave

program. Sick leave accumulation for City of Anywhere employees is 12 days which is consistent with the market. The maximum accumulation for survey respondents ranges from 120 days to unlimited with an average accumulation of 120 days. Anywhere allows employees to accumulate up to 120 days which is consistent with the average.

- Of the organizations that responded to the benefits survey 3 had provisions for a sick leave bank, and 8 provided sick leave pay out on termination or retirement, which is consistent with the practices of the City of Anywhere.
- All of the organizations allowed employees to use sick leave for medical and dental appointments and for family illness.
- All organizations offer medical insurance. For 2011, the average monthly cost for single coverage is \$592 with an average employer contribution of 97%. For employee plus dependent coverage, the average cost among survey participants was \$1258 with an average contribution of 64%. Family insurance coverage had an average monthly cost of \$1521 with an average employer contribution of 61%. The City of Anywhere's costs and contributions toward health insurance vary dependent on coverage selection. Nine organizations covered retirees in their medical insurance program, none provided a contribution towards that coverage. The City of Anywhere allows retirees to be covered under the City's health insurance plan but does not pay for that coverage, which is consistent with the practices of the survey participants.
- All of the organizations provided life insurance coverage. Seven of the organizations who responded offered short-term disability coverage, 1 paid for the coverage. Eleven respondents offered long-term disability insurance, and 4 of those organizations paid for that coverage. The City of Anywhere also provides short-term (for those employees under the Personal Leave program only) and long-term disability insurance and pays for that coverage, which is above the average.
- Ten of the organizations surveyed provided a deferred compensation program, none provided a contribution towards that program. The City of Anywhere offers a deferred compensation program but does not provide a contribution, which is consistent with the practices of the responding organizations.
- Seven of the respondents offered a Post Retirement Health Care Savings Plan, the City of Anywhere also provides this benefit.

A summary of the fringe benefits survey appears in Appendix IV.

APPENDIX I

Market Survey Information

Position Surveyed	Number of Respondents	Average FTES	Weighted Avg Sal	Minimum Salary			Midpoint Salary		Maximum Salary		
				Lowest	Highest	Weighted	Lowest	Highest	Lowest	Highest	Weighted
Accounting Technician	8	1.25	46,605	37,794	50,170	41,539	42,526	56,431	47,258	62,691	51,672
City Clerk	10	1.00	64,549	49,254	65,406	56,842	57,824	72,045	66,394	78,683	72,256
City Manager	12	1.00	114,874	92,331	113,106	101,196	108,274	123,188	114,713	137,134	127,599
Communications Coordinator	3	1.00	62,052	48,115	67,140	55,024	55,712	73,535	63,309	79,929	69,080
Human Resources Coordinator	2	1.00	54,964	47,403	49,816	48,610	53,019	56,909	58,635	64,002	61,318
Human Resources Manager	7	1.00	83,398	55,513	82,181	73,648	64,279	93,590	73,044	104,998	93,148
Information Technology Coordinator	11	1.00	76,636	53,082	75,774	68,060	59,727	87,786	66,373	99,798	85,211
Building Official	12	1.00	68,166	53,934	70,387	60,456	62,452	80,444	69,180	90,501	75,863
Community Development Assistant	7	1.00	57,800	40,893	61,381	51,467	46,259	66,710	51,022	75,807	64,132
Director of Community Development	8	1.00	94,719	75,816	94,494	84,757	85,467	107,994	92,997	121,493	104,149
General Inspector	10	1.50	56,630	40,747	57,720	50,576	45,885	63,222	51,022	68,744	62,683
Housing Code Enforcement Officer	6	1.00	55,361	47,403	53,082	49,551	53,019	59,727	49,234	66,373	60,253
Administrative Specialist	8	1.00	45,548	36,504	46,632	40,470	43,170	49,812	47,636	53,747	50,767
Office Specialist	10	3.00	40,731	31,346	39,144	35,784	35,818	44,502	39,978	50,128	45,606
Athletic Supervisor											
Director of Parks and Recreation	9	1.00	93,903	74,898	97,094	83,480	85,078	107,994	94,910	121,493	103,940
Golf Course Superintendent	4	1.00	67,384	53,082	68,516	60,799	59,727	75,042	66,373	81,567	73,970
Ice Arena Maintenance Operator	4	1.00	52,175	37,620	53,456	45,813	43,560	60,133	49,500	66,810	58,537
Recreation Facilities Manager	7	1.00	64,888	50,482	66,518	57,133	58,458	74,838	66,435	83,158	72,467
Recreation Supervisor	9	2.00	58,706	43,493	58,988	52,073	50,346	64,606	57,200	70,224	65,340
DNU - Central Garage Supervisor	2	1.00	69,284	63,259	63,259	63,259	69,284	69,284	75,308	75,308	75,308
DNU - Contract Manager/Forester	1	1.00	70,844	64,683	64,683	64,683	70,844	70,844	77,004	77,004	77,004
Director of Public Works	12	1.00	98,872	63,794	103,402	86,891	81,349	113,250	95,826	123,098	111,059
Maintenance Worker	12	10.08	45,620	35,464	45,781	39,764	43,846	49,109	48,714	55,848	51,475
Mechanic	11	1.91	49,912	40,518	53,753	46,456	45,583	55,586	50,648	57,418	53,306
Operations Manager	5	1.00	83,948	71,183	81,407	77,037	88,254	89,160	75,941	97,989	89,367
Street/Park Supervisor	10	1.60	64,957	45,677	70,387	57,593	51,386	80,444	57,096	90,501	72,321
Utilities Maintenance Supervisor	8	1.25	65,638	51,210	68,516	58,362	59,311	75,042	66,373	81,567	72,914
Utility Billing/Assessment Clerk	8	1.00	43,261	34,507	44,616	38,746	38,823	50,378	39,624	56,139	47,405
Police Officer	12	20.92	56,622	41,716	53,685	45,616	52,926	60,445	64,136	71,552	67,628
Corporal	2	1.50	61,461	43,625	68,641	54,108	56,283	68,641	68,641	68,940	68,815
Sergeant	12	4.92	76,696	68,467	78,042	72,888	72,270	81,224	75,076	84,698	80,433
Lieutenant	5	1.80	81,244	67,890	83,583	74,317	76,969	87,903	81,020	92,223	88,172
Police Captain	7	1.71	85,857	69,763	87,912	78,849	80,214	90,875	85,332	98,779	92,543
Deputy/Assistant Police Chief	3	1.33	88,677	74,157	82,014	78,263	84,235	93,704	94,314	105,394	99,090
Director of Police/Chief	12	1.00	99,143	79,077	108,846	88,799	89,344	108,881	99,271	119,101	109,296
Community Service Officer	5	2.00	35,595	30,243	34,819	33,626	32,791	37,773	35,339	41,309	37,564
Police Clerk	7	3.29	38,428	28,766	36,379	33,903	33,311	40,269	37,856	44,969	42,953

Averages

7.59

DNU – Did not use the information in the analysis

Market Survey Information

Position Surveyed	Client Information								
	Min	Diff	%	Mid	Diff	%	Max	Diff	%
Accounting Technician	37,565	(3,974)	-10.58%	43,732	(2,873)	-6.57%	49,899	(1,772)	-3.55%
City Clerk	61,370	4,529	7.38%	68,300	3,751	5.49%	75,229	2,973	3.95%
City Manager							101,920	(25,679)	-25.20%
Communications Coordinator	49,878	(5,145)	-10.32%	56,945	(5,107)	-8.97%	64,012	(5,068)	-7.92%
Human Resources Coordinator	48,183	(426)	-0.88%	54,964	0	0.00%	61,745	426	0.69%
Human Resources Manager	67,153	(6,496)	-9.67%	76,787	(6,611)	-8.61%	86,422	(6,727)	-7.78%
Information Technology Coordinator	67,153	(907)	-1.35%	76,787	152	0.20%	86,422	1,210	1.40%
Building Official	61,377	921	1.50%	68,303	137	0.20%	75,229	(633)	-0.84%
Community Development Assistant	46,438	(5,029)	-10.83%	53,007	(4,793)	-9.04%	59,575	(4,557)	-7.65%
Director of Community Development	70,593	(14,164)	-20.06%	80,751	(13,968)	-17.30%	90,908	(13,240)	-14.56%
General Inspector	55,064	4,487	8.15%	62,903	6,273	9.97%	70,743	8,059	11.39%
Housing Code Enforcement Officer	37,565	(11,986)	-31.91%	43,732	(11,629)	-26.59%	49,899	(10,354)	-20.75%
Administrative Specialist	35,277	(5,193)	-14.72%	40,654	(4,894)	-12.04%	46,030	(4,737)	-10.29%
Office Specialist	32,989	(2,795)	-8.47%	37,617	(3,115)	-8.28%	42,245	(3,361)	-7.96%
Athletic Supervisor	56,759			64,872			72,985		
Director of Parks and Recreation	70,593	(12,887)	-18.25%	80,751	(13,152)	-16.29%	90,908	(13,032)	-14.34%
Golf Course Superintendent	56,759	(4,040)	-7.12%	64,872	(2,512)	-3.87%	72,985	(985)	-1.35%
Ice Arena Maintenance Operator	42,182	(3,631)	-8.61%	46,498	(5,677)	-12.21%	50,814	(7,722)	-15.20%
Recreation Facilities Manager	63,663	6,530	10.26%	72,799	7,911	10.87%	81,935	9,468	11.56%
Recreation Supervisor	56,759	4,686	8.26%	64,872	6,166	9.50%	72,985	7,645	10.47%
DNU - Central Garage Supervisor	56,759			64,872			72,985		
DNU - Contract Manager/Forester	55,064			62,903			70,743		
Director of Public Works	74,033	(12,857)	-17.37%	84,714	(14,157)	-16.71%	95,395	(15,664)	-16.42%
Maintenance Worker	38,106	(1,659)	-4.35%	44,460	(1,160)	-2.61%	50,814	(661)	-1.30%
Mechanic	44,054	(2,401)	-5.45%	48,568	(1,344)	-2.77%	53,082	(224)	-0.42%
Operations Manager	63,663	(13,374)	-21.01%	72,799	(11,149)	-15.31%	81,935	(7,432)	-9.07%
Street/Park Supervisor	56,759	(834)	-1.47%	64,872	(85)	-0.13%	72,985	664	0.91%
Utilities Maintenance Supervisor	56,759	(1,603)	-2.82%	64,872	(766)	-1.18%	72,985	72	0.10%
Utility Billing/Assessment Clerk	34,549	(4,197)	-12.15%	39,686	(3,574)	-9.01%	44,824	(2,581)	-5.76%
Police Officer	41,819	-3,797	-9.08%	53,079	(3,544)	-6.68%	64,338	-3,290	-5.11%
Corporal									
Sergeant	71,911	-977	-1.36%	77,245	549	0.71%	82,579	2,146	2.60%
Lieutenant									
Police Captain	83,945	5,096	6.07%	87,850	1,993	2.27%	91,755	-788	-0.86%
Deputy/Assistant Police Chief									
Director of Police/Chief	77,223	-11,576	-14.99%	88,191	(10,952)	-12.42%	99,159	-10,137	-10.22%
Community Service Officer	31,486	(2,140)	-6.80%	35,601	6	0.02%	39,716	2,152	5.42%
Police Clerk	33,760	(143)	-0.42%	38,636	208	0.54%	43,512	559	1.29%

Averages (3,418.88) -6.72% (3,029.58) -5.06% (3,227.15) -4.27%

APPENDIX II

Compensation Plan

% Between Grades:	6%
% Between Steps:	4.0%
Range:	21.67%

Pts		Grade	Step					
			1	2	3	4	5	6
0 - 42	1	27,025.00	28,106.00	29,230.24	30,399.45	31,615.43	32,880.04	
43 - 58	2	28,646.50	29,792.36	30,984.05	32,223.42	33,512.35	34,852.85	
59 - 74	3	30,365.29	31,579.90	32,843.10	34,156.82	35,523.09	36,944.02	
75 - 92	4	32,187.21	33,474.70	34,813.68	36,206.23	37,654.48	39,160.66	
93 - 110	5	34,118.44	35,483.18	36,902.50	38,378.60	39,913.75	41,510.30	
111 - 130	6	36,165.55	37,612.17	39,116.65	40,681.32	42,308.57	44,000.92	
131 - 151	7	38,335.48	39,868.90	41,463.65	43,122.20	44,847.09	46,640.97	
152 - 173	8	40,635.61	42,261.03	43,951.47	45,709.53	47,537.91	49,439.43	
174 - 196	9	43,073.74	44,796.69	46,588.56	48,452.10	50,390.19	52,405.80	
197 - 221	10	45,658.17	47,484.50	49,383.88	51,359.23	53,413.60	55,550.14	
222 - 247	11	48,397.66	50,333.57	52,346.91	54,440.78	56,618.42	58,883.15	
248 - 275	12	51,301.52	53,353.58	55,487.72	57,707.23	60,015.52	62,416.14	
276 - 304	13	54,379.61	56,554.79	58,816.99	61,169.67	63,616.45	66,161.11	
305 - 335	14	57,642.39	59,948.08	62,346.00	64,839.85	67,433.44	70,130.78	
336 - 369	15	61,100.93	63,544.97	66,086.77	68,730.24	71,479.45	74,338.62	
370 - 404	16	64,766.99	67,357.66	70,051.97	72,854.05	75,768.21	78,798.94	
405 - 441	17	68,653.00	71,399.12	74,255.09	77,225.29	80,314.30	83,526.88	
442 - 480	18	72,772.18	75,683.07	78,710.39	81,858.81	85,133.16	88,538.49	
481 - 522	19	77,138.52	80,224.06	83,433.02	86,770.34	90,241.15	93,850.80	
523 - 567	20	81,766.83	85,037.50	88,439.00	91,976.56	95,655.62	99,481.85	
568 - 614	21	86,672.84	90,139.75	93,745.34	97,495.15	101,394.96	105,450.76	
615 - 663	22	91,873.21	95,548.13	99,370.06	103,344.86	107,478.66	111,777.80	
664 - 716	23	97,385.60	101,281.02	105,332.26	109,545.55	113,927.38	118,484.47	
717 - 772	24	103,228.73	107,357.88	111,652.20	116,118.29	120,763.02	125,593.54	
773 - 831	25	109,422.46	113,799.36	118,351.33	123,085.38	128,008.80	133,129.15	
832 - 894	26	115,987.81	120,627.32	125,452.41	130,470.51	135,689.33	141,116.90	
895 - 961	27	122,947.07	127,864.96	132,979.56	138,298.74	143,830.69	149,583.92	
962 - 1031	28	130,323.90	135,536.86	140,958.33	146,596.66	152,460.53	158,558.95	
1032 - 1106	29	138,143.33	143,669.07	149,415.83	155,392.46	161,608.16	168,072.49	
1107 - 1186	30	146,431.93	152,289.21	158,380.78	164,716.01	171,304.65	178,156.84	

APPENDIX III

Position Grade Assignment

Points	Department	Division	Title	Proposed		
				Grade	1	6
193	Administration	N/A	Accounting Technician	9	43,073.74	52,405.80
293	Administration	N/A	Human Resources Coordinator	13	54,379.61	66,161.11
333	Administration	N/A	Communications Coordinator	14	57,642.39	70,130.78
345	Administration	N/A	City Clerk	15	61,100.93	74,338.62
448	Administration	N/A	Information Technology Coordinator	18	72,772.18	88,538.49
510	Administration	N/A	Human Resources Manager	19	77,138.52	93,850.80
745	Administration	N/A	City Manager	24	103,228.73	125,593.54
238	Community Development	N/A	Housing Code Enforcement Officer	11	48,397.66	58,883.15
251	Community Development	N/A	Community Development Assistant	12	51,301.52	62,416.14
293	Community Development	N/A	General Inspector	13	54,379.61	66,161.11
336	Community Development	N/A	Building Official	15	61,100.93	74,338.62
575	Community Development	N/A	Director of Community Development	21	86,672.84	105,450.76
126	Global	N/A	Office Specialist	6	36,165.55	44,000.92
171	Global	N/A	Administrative Specialist	8	40,635.61	49,439.43
246	Parks and Recreation	N/A	Ice Arena Maintenance Operator	11	48,397.66	58,883.15
333	Parks and Recreation	N/A	Recreation Supervisor	14	57,642.39	70,130.78
333	Parks and Recreation	N/A	Athletic Supervisor	14	57,642.39	70,130.78
365	Parks and Recreation	N/A	Golf Course Superintendent	15	61,100.93	74,338.62
435.5	Parks and Recreation	N/A	Recreation Facilities Manager	17	68,653.00	83,526.88
575	Parks and Recreation	N/A	Director of Parks and Recreation	21	86,672.84	105,450.76
98	Public Safety	N/A	Community Service Officer	4	32,187.21	39,160.66
108	Public Safety	N/A	Police Clerk	5	34,118.44	41,510.30
173	Public Safety	N/A	Animal Control Officer	8	40,635.61	49,439.43
293	Public Safety	N/A	Office Supervisor	13	54,379.61	66,161.11
288	Public Safety	N/A	Police Officer	13	54,379.61	66,161.11
411	Public Safety	N/A	Sergeant	17	68,653.00	83,526.88
510	Public Safety	N/A	Police Captain	19	77,138.52	93,850.80
645	Public Safety	N/A	Director of Police/Chief	22	91,873.21	111,777.80
173	Public Works	N/A	Utility Billing/Assessment Clerk	8	40,635.61	49,439.43
185	Public Works	N/A	Maintenance Worker	9	43,073.74	52,405.80
220	Public Works	N/A	Mechanic	10	45,658.17	55,550.14
301	Public Works	N/A	Contract Manager/Forester	13	54,379.61	66,161.11
338	Public Works	N/A	Central Garage Supervisor	15	61,100.93	74,338.62
340	Public Works	N/A	Street/Park Supervisor	15	61,100.93	74,338.62
340	Public Works	N/A	Utilities Maintenance Supervisor	15	61,100.93	74,338.62
445	Public Works	N/A	Operations Manager	18	72,772.18	88,538.49
630	Public Works	N/A	Director of Public Works	22	91,873.21	111,777.80

APPENDIX IV

Fringe Benefit Comparison

	<u>Lowest Reported</u>	<u>Highest Reported</u>	<u>Average Reported</u>	<u>New Hope</u>
Holidays (Days/Year)	9	12	11	10
Floating Holidays	No (1)	Yes (7)	Yes	Yes (2)
Holiday on Regular Days Off	Other (0)	Fri-Mon (8)	Fri-Mon	Fri-Mon
Comp on Holidays Worked		T&½ (6)		
Time and a ½	T&½ (6)	6	T&½ (6)	Time and ½
Double Time	Dbl (1)	1		
Double Time and a ½	DT&½ (0)	0		
Other	Other (0)	0		
Annual Leave (Days/Year)				
Vacation/Sick or PTO	PTO (3)	Vac-Sick (8)	Vac-Sick	Vac-Sick/PTO
<i>Vacation</i>				
6 months	0	12	5	10
1 year	10	18	11	10
2 years	10	18	11	10
3 years	10	18	11	10
4 years	10	18	11	10
5 years	10	18	13	10
6 years	15	18	16	15
7 years	15	18	16	15
8 years	15	24	16	15
9 years	15	24	16	15
10 years	15	24	17	15
11 years	16	24	19	16
12 years	17	24	19	17
13 years	18	24	20	18
14 years	18	24	20	19
15 years	18	24	20	20
16 years	20	26	21	20
17 years	20	26	21	20
18 years	20	26	21	20
19 years	20	26	21	20
20 years	20	26	22	20
20+ years	20	26	23	25
<i>PTO</i>				
6 months	0	18		15
1 year	17	19	18	15
2 years	17	20	18	15
3 years	17	21	19	15
4 years	17	22	19	15
5 years	17	23	19	15
6 years	18	23	21	20
7 years	18	23	21	20
8 years	18	23	21	20
9 years	18	23	21	20
10 years	22	25	24	20
11 years	23	25	24	21
12 years	24	25	24	22
13 years	24	25	25	23
14 years	24	26	25	24
15 years	26	29	27	25
16 years	26	29	28	25
17 years	26	29	28	25
18 years	26	30	28	25
19 years	26	31	29	25
20 years	26	32	29	25
20+ years	26	34	31	30
Carried into Next Year	25	62	37	8
Max Accumulation	25	Unltd. (1)	37	25/30
Comp after Max Accumulation	Yes (0)	No (6)	No	No

Fringe Benefit Comparison

	<u>Lowest Reported</u>	<u>Highest Reported</u>	<u>Average Reported</u>	<u>New Hope</u>
Sick Leave (Days/Year)	12	12	12	12
Carried into Next Year	120	Unltd (3)	120	120
Max. Accumulation	120	Unltd. (1)	120	120
Paid at Termination/Retirement	No (1)	Yes (7)	Yes	Yes
Use for Medical Appointments	No (0)	Yes (6)	Yes	Yes
Use for Dental Appointments	No (0)	Yes (6)	Yes	Yes
Use for Family Illness	No (0)	Yes (6)	Yes	Yes
Sick Leave Bank	Yes/No (3/3)	Yes/No (3/3)		Yes
Pension and Retirement				
Other Than Social Security	No (0)	Yes (8)	Yes	Yes
State Sponsored	No (0)	Yes (7)	Yes	Yes
Employer Paid	6.25%	6.25%	6.25%	6.25%
Employee Paid	7.25%	7.25%	7.25%	7.25%
Death Benefit	No (0)	Yes (5)	Yes	Yes
Life & Disability Insurance				
Life Insurance	No (0)	Yes (11)	Yes	Yes
Employer Paid	0.0%	100.0%	90.91%	100.00%
AD&D	No (2)	Yes (6)	Yes	Yes
AD&D Double Indemnity	No (3)	Yes (5)	Yes	Yes
Employer Paid	0.0%	100.0%	80.00%	100.00%
Short Term Disability	No (4)	Yes (7)	Yes	Yes
Employer Paid	0.0%	100.0%	25.00%	100.00%
Long Term Disability	No (0)	Yes (11)	Yes	Yes
Employer Paid	0.0%	100.0%	57.14%	100.00%
Health Insurance				
	No (0)	Yes (12)	Yes	Yes
Different Levels	No (0)	Yes (8)	Yes	Yes
Not participating	No (3)	Yes (9)	Yes	Yes
Employee Only	\$411.15	\$806.85	\$592.26	654.21/517.74/430.80
Employer Paid	79.94%	100.00%	96.86%	100.00%
Employee Paid	0.00%	20.06%		0.00%
Annual Deductible	\$0.00	\$2,500.00		300/2400/4000
Standard Office Visit Co-pay	\$0.00	\$20.00		40/0/0
Employee/Spouse	\$865.00	\$1,562.10	\$1,258.27	1471.97/1164.92/969.30
Employer Paid	47.67%	92.86%	64.34%	56/71/85%
Employee Paid	7.14%	44.00%	32.33%	44/29/15%
Annual Deductible	\$0.00	\$4,000.00		600/4800/8000
Standard Office Visit Co-pay	\$0.00	\$20.00		40/0/0
Employee/Child	N/A	\$1,480.10	\$1,275.42	1471.97/1164.92/969.30
Employer Paid	56.00%	71.89%	63.30%	56/71/85%
Employee Paid	28.11%	44.00%	36.70%	44/29/15%
Annual Deductible	\$2,400.00	\$4,000.00	\$3,133.33	600/4800/8000
Standard Office Visit Co-pay	\$20.00	\$20.00	\$20.00	40/0/0
Employee/Family	\$1,125.61	\$1,933.10	\$1,520.96	1707.49/1351.3/1124.30
Employer Paid	35.89%	84.68%	61.16%	53/67/80%
Employee Paid	15.32%	64.11%	38.84%	47/33/20%
Annual Deductible	\$2,400.00	\$4,000.00	\$2,950.00	900/4800/8000
Standard Office Visit Co-pay	\$0.20	\$0.20	\$0.20	40/0/0
Retirees	No (5)	Yes (7)	Yes	Yes
Years of Service Required	10	10	10	NA
Employer Paid	0.0%	100.0%	20.00%	0.00%
Dental Insurance	No (0)	Yes (11)	Yes	Yes
Part of Health Plan	Yes (1)	No (7)	No	No
Employee Only	\$21.89	\$40.03	\$34.71	\$36.95
Employer Paid	0.0%	100.0%		
Employee/Family	\$71.79	\$120.47	\$99.91	\$97.35
Employer Paid	0.0%	48.0%		

Fringe Benefit Comparison

	<u>Lowest Reported</u>	<u>Highest Reported</u>	<u>Average Reported</u>	<u>New Hope</u>
Deferred Compensation	No (1)	Yes (10)	Yes	Yes
Available to all Employees	No (2)	Yes (5)	Yes	Yes
Type of Plan				ICMA, MN Deferred Comp
Employer Contribution	Yes (0)	No (7)	No	No
Other Benefits Program				
Other Benefits	No (1)	Yes (6)	Yes	
Post Retirement Hlth Care Svcs	No (1)	Yes (7)	Yes	Yes
Call Back Pay	No (1)	Yes (6)	Yes	Yes
On Call/Stand By Pay	No (1)	Yes (6)	Yes	Yes
Clothing Allowance	No (1)	Yes (10)	Yes	Yes
Mgr/Administrator Compensation				
Included in Pay Plan	No (3)	Yes (4)	Yes	No
Car or Vehicle Allowance	No (2)	Yes (6)	Yes	No
Monthly Allowance	\$400.00	\$550.00	\$490.50	
Accrues Leave Differently	Yes (0)	No (5)	No	No
Retirement Plan Differ	Yes (0)	No (6)	No	No
Additional Benefits	No (2)	Yes (3)	Yes	No

APPENDIX III
Sample PAQ



Springsted Incorporated
380 Jackson Street, Suite 300
Saint Paul, MN 55101-2887

Tel: 651-223-3000
Fax: 651-223-3002
www.springsted.com

MEMORANDUM

TO: Employees of the City of Stevens Point, Wisconsin
FROM: Ann Antonsen, Consultant
DATE: 2013
SUBJECT: **Instructions for Completing Your Position Analysis Questionnaire**

Please read these instructions **before completing** your Position Analysis Questionnaire (PAQ). This form is used to obtain information about your position. The questionnaire consists of multiple-choice and fill-in-the-blank questions; please be clear, accurate and complete. For multiple-choice questions, please check only the appropriate box on the left-hand side of the document; the right-hand box is for your supervisor or department/division head to complete. **Please complete and return the PAQ to your supervisor within five business days.**

Please Spell out acronyms – acronyms may be exclusive to your department and mean something else nationally or to another part of the organization.

Minimum Requirements – Answer the questions based on the minimum requirements needed to perform the duties of the position (you may have 10 years of experience, but would a new hire need that to do the job).

Specific changes needed to the class description should be submitted by tracking or marking the most recent job description and submitted them along with this PAQ to your supervisor. If changes are not requested using this method, the most recent job description will be considered a final draft.

Both the employee and supervisor must sign this form in order for it to be considered complete. If a position is currently vacant and there is no incumbent, the supervisor should fill out the form as the employee, and the project manager will confirm using the supervisor column.

TO: Supervisors and/or Division/Department Heads
SUBJECT: **Instructions for Completing Position Analysis Questionnaire**

After each employee under your day-to-day supervision has completed a PAQ, they should return them to you for your review and verification. You will want to check the boxes on the right-hand side of every page, either agreeing or disagreeing with the boxes the employee has checked on the left-hand side. There is a section on Page 5 where you can comment on the accuracy and completeness of the employee's response. Please note any comments in this section and do not make any changes to employee responses.

City of Stevens Point, Wisconsin Position Analysis Questionnaire

1. Name (<i>Last, First</i>)	2. Current Position Title	3. Current Annual Salary
4. Immediate Supervisor's Title	5. Department/Division	6. Date of Hire with Agency
7. How many hours are you scheduled to work in a week? <input type="checkbox"/> 35 <input type="checkbox"/> 37.5 <input type="checkbox"/> 40 <input type="checkbox"/> 43 <input type="checkbox"/> 56 <input type="checkbox"/> Other <i>Explain shift rotation, stand-by, call back, etc.</i>		8. Date of Hire in Position
<p>9. Is the content listed in the applicable class description accurate?</p> <p><input type="checkbox"/> Yes, it is complete and accurate</p> <p><input type="checkbox"/> No, it is not complete and/or accurate</p> <p>If no, please either make changes directly on the job description or, if possible, use the word version of your job description to track/mark/record any changes needed to the content. The remainder of this form must also be filled out.</p>		
<p>10. Education and Experience</p> <p>Please indicate the <u>minimum</u> education and <u>minimum</u> experience level needed to complete the normal, day-to-day tasks: <i>(Supervisor's comments regarding this information may be provided on Page 5 in the Supervisor's Comments section)</i></p> <p><input type="checkbox"/> Less than High School Diploma or GED.....</p> <p><input type="checkbox"/> High School Diploma or GED.</p> <p><input type="checkbox"/> Associates Degree</p> <p><input type="checkbox"/> Bachelors Degree</p> <p><input type="checkbox"/> Masters Degree.....</p> <p><input type="checkbox"/> PhD</p> <p><input type="checkbox"/> Other</p> <p>Major/Coursework: _____</p> <p>Type of Experience _____</p> <p>Years of Experience <input type="checkbox"/> None <input type="checkbox"/> Less than one year</p> <p> <input type="checkbox"/> One to three years <input type="checkbox"/> Three to five years <input type="checkbox"/> Six or more</p>		
<p>11. Licenses, Certificates and Registrations</p> <p>Please indicate if there are any licenses, certificates and/or registrations required to perform your job (e.g. driver's license) <i>(Supervisor's comments regarding this information may be provided on Page 5 in the Supervisor's Comments section)</i></p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Are these required: <input type="checkbox"/> Upon Hire <input type="checkbox"/> Within 6 months <input type="checkbox"/> Within 1 year <input type="checkbox"/> Within 2 years</p> <p><i>If requirement is specific to the license, certification or registration, please indicate timeframe by each one individually.</i></p>		
<p>12. Special Training</p> <p>Please indicate if there is any special training required to perform your job. <i>(Supervisor's comments regarding this information may be provided on Page 5 in the Supervisor's Comments section)</i></p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Are these required: <input type="checkbox"/> Upon Hire <input type="checkbox"/> Within 6 months <input type="checkbox"/> Within 1 year <input type="checkbox"/> Within 2 years</p> <p><i>If requirement is specific to the training, please indicate timeframe by each one individually.</i></p>		

13. Work Level

Level of work required to complete your normal, day-to-day duties satisfactorily.

- Handles everyday, reoccurring basic assignments and problems.....
- Handles a variety of typical assignments and problems independently
- Senior or supervisory level; handles all assignments and problems except those requiring policy or procedural change
- Managerial in nature; directs all assignments and deals with all problems

14. Work Complexity

Complexity and difficulty level associated with the tasks necessary to complete your work. Consider the level of judgment, analytical ability and creativity required and whether there are standards, policies and procedures that guide your actions.

- Regular and repetitive tasks, processes or operations requiring the selection and execution of actions based on defined procedures.....
- Fairly standard procedures and tasks where basic analytical ability is required, such as comparison of numbers and facts to select the correct actions. Detailed guidelines and procedures are generally used to make decisions or determine actions.
- Requires the application of a variety of procedures, policies and/or precedents and moderate analytic ability in adapting standard methods to fit facts and conditions.....
- Considerable analytical ability is needed to select, evaluate and interpret data from several sources; interpretation of guidelines, policies and procedures is required.
- Widely varied and involving many complex and significant variables, requiring analytical ability and inductive thinking in adapting policies, procedures and methods to fit unusual and complex situations.

15. Interpersonal Skills and Communication Skills

Skills required during your day-to-day duties:

- Little or no contact required except with immediate associates and direct supervisor.
- Regular contact within the department and periodic contacts with other departments, outside agencies and the general public.....
- Regular contact within the department and other departments, outside agencies and general public (supplying or seeking information) on specialized matters.
- Outside and inside contacts to carry out organization programs or occasional contacts with officials at higher levels on matters requiring cooperation, explanation and persuasion, or work requiring enforcement of laws, ordinances, policies and procedures.
- Regular contact with persons of importance and influence involving considerable tact, discretion and persuasion.....
- Continuing contact involving difficult negotiations calling for well-developed sense of timing and strategy; representing department or organization in policy settings

Please list people or groups with whom you must interact and/or communicate in the performance of your job.
(e.g.: citizens, customers, clients, elected officials, supervisors, subordinates, consultants, engineers, etc.)

_____	_____
_____	_____
_____	_____
_____	_____

16. Working Conditions

Conditions you are subjected to during your day-to-day duties:

- Absence of disagreeable conditions
- Involves occasional exposure to some disagreeable elements (*dust, heat, fumes, cold, noise, vibration or wetness*) and accidents are improbable other than minor injuries
- One or more elements above; involves frequent exposure to hazards where lost-time accidents are definitely possible
- Several elements above are occasionally present to the extent of being objectionable or regular exposure to work situations that could result in incapacitating accidents or, on occasion, loss of life.
- One or more of the above elements are regularly present and objectionable, or continuing exposure to work situations that could result in incapacitating accidents or periodic exposure to situations involving hazards that could result in total disability, critical illness or loss of life
- Continuous exposure to work situations involving hazards that could result in total disability, critical illness or loss of life, despite the provision and/or implementation of available safety measures.

17. Mental Stress and/or Effort

Conditions you are subjected to during your day-to-day duties:

- Limited mental effort and/or stress.....
- Some mental effort and stress involved resulting in inconvenience and frustration.
- Considerable mental effort and stress
- Serious mental stress involved that could, over a period of time, result in temporary nervous disorder and severe mental anguish.
- Severe mental stress involved that could result in permanent nervous disorder/mental instability.....

18. Level of Responsibility

How much freedom or independence is required or allowed in the performance of your normal day-to-day duties:

- Close supervision, or tasks are so routine and standardized that they do not require supervision.....
- Moderate supervision within standard operating procedures; supervisor or senior workers are generally nearby to answer questions, make "judgment calls" and/or prioritize work
- Limited supervision with general autonomy in determining how objectives are achieved; supervisors generally set operating benchmarks, goals and objectives.....
- General direction, based on broad goals and policies.....
- Involves setting policies and goals for the department or organization operation

19. Organizational Impact and Consequences

How your day-to-day duties impact the organization and the consequences of those duties:

- Supportive, informational, recording or other services to assist others in producing correct and effective results; minor consequences....
- Assisting and supporting others or individually providing data or facilitating services for use by others; minor to moderate consequences
- Daily actions or services affect individual clients/citizens; activity has moderate impact on specific cases in service area.
- Participating with others (within and/or outside of community/agency) in program development, service delivery and supervision of subordinate staff; moderate to serious impact
- Major individual impact on and accountability for end results affecting organizational unit or total community/agency.

20. Financial

Please indicate the dollar amount over which you have accountability, approval and/or authority. *(Supervisor's comments regarding this information may be provided on Page 5 in the Supervisor's Comments section)*

- | | | |
|---|--|---|
| <input type="checkbox"/> \$0 (N/A) | <input type="checkbox"/> \$20,000 - \$49,000 | <input type="checkbox"/> \$1,000,000 - \$4,999,999 |
| <input type="checkbox"/> \$1 - \$999 | <input type="checkbox"/> \$50,000 - \$99,999 | <input type="checkbox"/> \$5,000,000 - \$19,999,999 |
| <input type="checkbox"/> \$1,000 - \$4,999 | <input type="checkbox"/> \$100,000 - \$499,999 | <input type="checkbox"/> \$20,000,000 - 49,999,999 |
| <input type="checkbox"/> \$5,000 - \$19,999 | <input type="checkbox"/> \$500,000 - \$999,999 | <input type="checkbox"/> \$50,000,000 + |

Americans with Disabilities Act Supplemental Information Form

In order to assist in developing class descriptions which recognize and accommodate the requirements of the Act, each employee is requested to complete the attached ADA supplemental information form. Please check only those physical requirements or activities and sensory requirements that are **absolutely necessary** to perform the essential functions of your job and those environmental conditions which apply. **If options provided are not applicable, please do not check the corresponding box.**

The employee should check the appropriate box on the left side of the form. Supervisors should review information provided by the employee and verify the requirements of the position by checking the appropriate box on the right side of the form.

1. The physical requirements of this position.

Does this job require that weight be lifted or force be exerted? If so, how much and how often? Check the appropriate boxes below.

	Employee Amount of Time				Supervisor's Input			
	None	up to 1/3	1/3 to 2/3	2/3 & up	None	up to 1/3	1/3 to 2/3	2/3 & up
Up to 10 pounds of force	<input type="checkbox"/>							
Up to 25 pounds of force	<input type="checkbox"/>							
Up to 50 pounds of force	<input type="checkbox"/>							
Up to 100 pounds of force	<input type="checkbox"/>							
In excess of 100 pounds of force	<input type="checkbox"/>							

What is being lifted: _____

2. The physical activity of this position.

How much on-the-job time is spent in the following physical activities? Show the amount of time by checking the appropriate boxes below.

	Employee Amount of Time				Supervisor's Input			
	None	up to 1/3	1/3 to 2/3	2/3 & up	None	up to 1/3	1/3 to 2/3	2/3 & up
Stand	<input type="checkbox"/>							
Walk	<input type="checkbox"/>							
Sit	<input type="checkbox"/>							
Speak or hear	<input type="checkbox"/>							
Use hands to finger, handle or feel	<input type="checkbox"/>							
Climb or balance	<input type="checkbox"/>							
Stoop, kneel, crouch or crawl	<input type="checkbox"/>							
Reach with hands and arms	<input type="checkbox"/>							
Taste or smell	<input type="checkbox"/>							
Push or pull	<input type="checkbox"/>							
Lifting	<input type="checkbox"/>							
Repetitive Motions	<input type="checkbox"/>							

Employee (check all that apply)

Supervisor (verify job requirement)

3. The sensory requirements of the position are:

Visual Acuity

- Standard vision requirements
- Close vision
- Distance vision
- Ability to adjust focus
- Depth perception
- Color perception
- Night vision
- Peripheral vision

Vocal Communication

- Expressing or exchanging ideas by means of the spoken word.....
- Detailed or loud talking to convey detailed or important spoken instructions to others accurately, loudly or quickly.....

Hearing Perception

- Ability to recognize information at normal spoken word levels.....
- Ability to receive detailed information through oral communications and/or to make fine distinctions in sound.....

Sensory Utilization

- Preparing and analyzing written or computer data
- Visual inspection involving small defects and/or small parts.....
- Use of measuring devices.....
- Assembly or fabrication of parts within arms length.....
- Operating machines, including office equipment
- Operating motor vehicles or equipment.....
- Observing general surroundings and activities

4. The environmental conditions the worker will be subject to in this position.

How much exposure to the following environmental conditions does this job require? Show the amount of time by checking the appropriate boxes below.

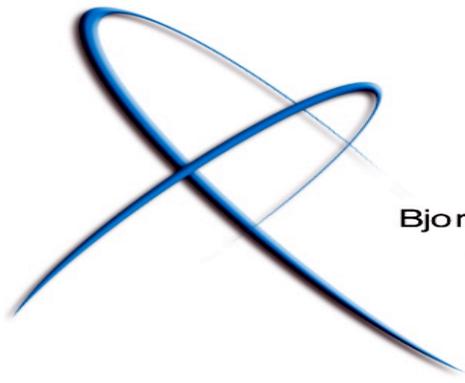
	Employee Amount of Time				Supervisor's Input			
	None	up to 1/3	1/3 to 2/3	2/3 & up	None	up to 1/3	1/3 to 2/3	2/3 & up
Wet, humid conditions (non-weather)	<input type="checkbox"/>							
Work near moving mechanical parts	<input type="checkbox"/>							
Work in high, precarious places	<input type="checkbox"/>							
Fumes or airborne particles	<input type="checkbox"/>							
Toxic or caustic chemicals	<input type="checkbox"/>							
Outdoor weather conditions	<input type="checkbox"/>							
Extreme cold (non-weather)	<input type="checkbox"/>							
Extreme heat (non-weather)	<input type="checkbox"/>							
Risk of electrical shock	<input type="checkbox"/>							
Work with explosives	<input type="checkbox"/>							
Vibration	<input type="checkbox"/>							
Breathing apparatus	<input type="checkbox"/>							
Exposure to blood borne pathogens	<input type="checkbox"/>							
Other:	<input type="checkbox"/>							
Other:	<input type="checkbox"/>							
Other:	<input type="checkbox"/>							

5. Typical Noise Level

Employee (check only one)

Supervisor (verify job requirement)

- Very Quiet (e.g. park trail, storage or file room)
- Quiet (e.g. library, private offices)
- Moderate Noise (e.g. business office with typewriters and/or computer printers, light traffic)
- Loud Noise (e.g. heavy traffic, large earth-moving equipment).....
- Very Loud Noise (e.g. jack hammer work, garbage recycle plant).....



Bjorklund Compensation Consulting, LLC

Serving The HR Needs Of The Public Sector

Robert Bjorklund
President, BCC
18979 Ellie Lane
Eden Prairie, MN 55346
Direct: 952-974-9787
Cell: 612-817-1727
Email: rbjorklund@earthlink.net

May 1, 2013

Lisa Jakusz
Human Resources Manager
City of Stevens Point
1515 Strongs Avenue
Stevens Point, WI 54481

Re: Proposal For A Job Evaluation & Compensation Study

Dear Ms. Jakusz:

Bjorklund Compensation Consulting (BCC) is pleased to present its proposal to assist the City of Stevens Point in the conduct of a comprehensive classification and compensation study covering approximately 77 position descriptions. The overall purpose of the study will be to assure all jobs under the City's compensation program are properly aligned both internally and externally to assure the fairness, objectively and competitiveness of the City's classification and compensation program.

BCC is a firm that specializes in the conduct of public sector human resource consulting and specializes in projects as outlined in your RFP. We have extensive experience working with, designing and implementing new classification structures, job evaluation studies, market studies, pay equity studies, and the design of new compensation programs including pay for performance systems. Before outlining our approach and work plan, we would like to introduce to you our firm, our capabilities, project team and our qualifications to perform this project.

A. About Bjorklund Compensation Consulting (BCC)

Bjorklund Compensation Consulting (BCC, LLC) was formed in 1999 to better serve and address the unique needs of public sector clients. Our mission is to better align our services, products and organization with that of the needs of public entities and to permit us to be more responsive to your needs. Unlike larger firms who assign its most experienced personnel to sales and project staffing concerns thus leaving the important daily project functions, decision making and project management activities to less experienced and junior level consulting personnel, our size permits us to assign only the most appropriate and experienced consulting personnel to your engagement. BCC is based out of Minneapolis and serves clients nationally on a variety of classification, compensation and human resource issues.

BCC specializes in projects including:



- Classification studies - job analysis, development of new classification structures, the development of new job/class descriptions.
- Conduct of comparable worth or pay equity studies to assess the extent or degree to which there are gender-base pay differences within the organization.
- Job evaluation studies – internally aligning all jobs within the organization on the basis of relative responsibility level using job evaluation.
- Development of conduct of customized salary surveys to determine prevailing market rates and to assess the external competitiveness of organizational pay.
- Development of new salary plans, pay structures or salary ranges for organizations and the development of implementation strategies to install these plans.
- Conduct of staffing, management or organizational studies.
- Design of performance management systems, performance appraisal forms, and training in performance management.
- Personnel audits or diagnostic reviews of classification and compensation programs, policies and procedures.
- Assisting clients in the ongoing review, maintenance, and updating of its job evaluation system and pay programs.

BCC has extensive experience in the use and application of a variety of job evaluation methods and systems including the Decision Band Method, the Hay System, point systems, paired comparison systems, and computerized job evaluation systems. BCC uses and offers its clients the **Classification Matrix System (CMS)**. This system is an adaptation of tradition point factor systems but simplifies the application of these systems and tries to eliminate some of the inherent overlap and redundancy found in many of these systems. *(See sample Factor Rating Matrix in Appendix of the proposal. Note: Because proposals are a public document and our CMS is proprietary, we have not included all the evaluation forms used by BCC in evaluating jobs.)*

B. Project Staffing:

BCC has assembled an “experienced” public sector consulting staff to assist in the conduct of this study. A consultant is assigned to each project and serves as the project manager and sole contact with the entity. Given the project needs, its scope and our desire to assure consistency and accountability in project outcomes across all project phases, BCC believes that this project can best be accomplished by our Project Manager-Robert Bjorklund. As a matter of fact, our extensive experience suggests that the fewer staff assigned to a project the better. Smaller staffed projects foster and permit consistency, accountably, focused direction and communication enhancement throughout the project. Given the size of the City, all project activities will be performed and conducted by the Project Manager-Robert Bjorklund.



Project Manager
Robert Bjorklund, President BCC

Robert Bjorklund will be the Project Manager for this project and will be solely responsible for all project phases and activities. Mr. Bjorklund is the founder and President of BCC and brings to the engagement over 31 years of human resources experience that includes 29 years of specialized public sector compensating consulting experience. He has extensive pay equity, job evaluation, classification and compensation design experience having participated in the conduct of more than 200 compensation studies in the public sector. Prior to forming BCC, Mr. Bjorklund was a Partner in a small national human resource consulting firm for 4 years, and 11 years experience with Ernst & Young (Big 6 firm) in the compensation group where he managed public sector compensation, classification, pay equity and other human resource studies both regionally and across the nation.

It will be the responsibility of the Project Manager to be accountable for all project activities, deliverables and functions set forth in the proposal and to serve as the primary project liaison with the City.

C. References BCC:

Over the past few years, BCC has worked with a variety of clients in a variety of different and interesting projects. We believe these sample engagements below demonstrate the breadth, responsiveness, integrity and capabilities of our firm. Sample recent client contact names and numbers also have been provided for your convenience. A more comprehensive listing of clients can be found in the attached resume of Robert Bjorklund.

Current Projects:

Carver County, MN: BCC is currently assisting the County again with the testing and preparation of its pay equity reporting to the State of MN. Annually, BCC provides ongoing classification assistance and support to the County. Over the past 28 years, Robert Bjorklund and/or BCC have conducted 3 comprehensive classification studies utilizing 2 different job evaluation methodologies. BCC is currently negotiating with the County to enter into another 3-year contract to provide ongoing classification and HR assistance. **Contact: Doris Krogman, Employee Relations Division Director at 952-361-1523.**

Red Wing Schools, MN: BCC was recently awarded a contract to assist the district in reporting its pay equity data to the State of MN; to conduct job analysis of all district positions; to update job descriptions; and assess the job responsibilities of all positions utilizing job evaluation. **Contact: Karsten Anderson, Superintendent of Schools, (651) 385-4500.**

Albert Lea Public Schools, MN: Albert Lea Public Schools has been a client of Robert Bjorklund's for over 20 years. BCC is currently conducting a new classification study of all positions, updating job descriptions, and reevaluating all jobs for the District. **Contact: Jim Quiram, Director of HR and Technology, 507-379-4810.**

Fairmont Public Schools, MN: The District has been a client of Robert Bjorklund for over 25 years. BCC contracted with the District to conduct a classification and job evaluation study of all positions including interviews, preparation of job descriptions and a reevaluation of job responsibilities. This study is nearing completion. **Contact: Sue Nelson, Business Manager, 507-235-4003.**



Quin Community Health Services, MN: BCC has recently been hired to conduct a market survey of all jobs and provide assistance in restructuring the compensation program for this organization. **Contact: Rachel Green, Administrator, 218-874-7845.**

Princeton Public Schools, MN: BCC recently contacted with the District and BCC will soon begin the process of conducting a classification study of selected job families, update all job descriptions under study, conduct a market study covering all district positions and make recommended revisions to salary ranges. **Contact: Brenda Alexander, HR Director, 763-389-6181.**

Mankato Public Schools, MN: BCC and Robert Bjorklund have been providing assistance to district in performing ongoing classification reviews and pay equity assistance since 1999. BCC is currently negotiating with the District to conduct a classification study of selected district positions. At this time, the scope and specifics have yet to be decided upon. **Contact: Joanne May, Director of Human Resources, 507-387-3017.**

West Metro Educational Programs (WMEP), MN: BCC contracted with WMEP to study and implement a classification/pay equity study for the district. The study involves conducting employee interviews, evaluating all jobs, conducting a market study and designing a new salary plan(s) for WMEP. **Contact Kara Richardson, HR Coordinator, (612) 752-7204.**

Recent Projects:

City of Plymouth, MN: BCC has been assisting the City of Plymouth with various classification, job evaluation, and pay equity issues for the past 7 years. **Contact Jeanette Sobania, HR Manager, 763-509-5070.**

Clearwater County, MN: BCC completed a comprehensive classification and compensation study of all County positions. The study included studying all jobs, preparing new job descriptions, evaluating jobs, conducting a market study and designing a new compensation plan for the County. **Contact: Charlene Olson, County Treasurer/HR Director, 218-694-6130.**

MN Counties Intergovernmental Trust (MCIT), St. Paul, MN: BCC is providing MCIT assistance in the conduct of a two phase (2 yr. study) study of its classification and compensation system. In 2011, BCC examined and conducted an evaluation of all of the organization's positions. In 2012/2013, BCC will be providing further HR assistance as determined by the Executive Director. **Contact: Robyn Sykes, Executive Director, 651-209-6400.**

Dakota County Community Development Agency, MN: BCC has been providing job classification and pay equity assistance to the CDA for over 25 years. Annually and on an ongoing basis, BCC provides assistance to the organization in job evaluation training, job evaluation reviews, and pay equity reporting. **Contact: Cheryl Jacobson, Director of Administration & Intergovernmental Relations or Janet Shefchik, Assistant to Executive Director, 651-675-4431.**

City of Norwood Young America, MN: BCC conducted a classification and compensation study for this City to assist it in meeting its obligations under the MN Pay Equity Act and to assist it in updating its pay program. **Contact: Tom Simmons, City Manager, 952-467-1805.**

Koochiching County, MN: Robert Bjorklund conducted the original pay equity study for the County back in 1988 and BCC continues to provide ongoing assistance and maintenance support to the County on an annual basis. Providing County management and training in the use of the job evaluation system and pay equity issues. In 2010/2011, BCC conducted a comprehensive review of



all county positions, preparation and updating of job descriptions, and recommendations on a revised pay structure. **Contact: Teresa Jaksa, Administrative Director, 218-283-1152.**

Waconia Public Schools, MN: BCC recently completed a comprehensive study to review all district positions. The study will include job analysis, writing job descriptions, evaluating jobs, conducting a market survey and revising the districts compensation plan(s). **Contact: Dr. Nancy Rajanen, Superintendent of Schools, 952-442-0602.**

Grant County, MN: BCC recently completed a comprehensive classification and compensation study of all County positions. The study included studying all jobs, preparing new job descriptions, evaluating jobs, conducting a market study and designing a new compensation plan for the County. **Contact: Justin Anderson, HR Director/Assistant County Attorney, 218-685-5353.**

Rapid City Public Schools, SD: In 1999, BCC completed a comprehensive classification and compensation study for the District in studying all jobs and the pay program of Western Dakota Technical Institute. BCC continues to provide ongoing consulting assistance to the College in maintaining its system today.

BCC was subsequently hired by the District and completed a new study of all 28 co-curricular sport teams with respect to their selection procedures and methods. This study was a result of a voluntary agreement between the District and the Office of Civil Rights to assure the procedures are fair, unbiased, and objective. The study included the conduct of focus groups with coaches, parents, citizens and students across the district. **Contact: Cindy Noble, Human Resources, (605) 394-4014.**

Sartell-St. Stephen Public Schools, MN: In 2010, BCC completed a comprehensive classification study of all District positions. In 2011, BCC again contracted with the District to conduct a market study to assess the competitiveness of the District's pay practices and to provide recommendations. **Contact: Nicole Hylen, Director of Human Resources, 320-656-3748.**

Pennington County, MN: BCC completed a comprehensive classification and compensation study for the County. The project included employee interviews, the preparation of job descriptions, job evaluation, a market and benefits survey, and the design of a proposed new salary structure. **Contact: Kevin Erickson: Deputy Auditor/Payroll/HR, 218-683-7000.**

Mower County, MN: BCC conducted a comprehensive classification, job evaluation and compensation study for the County approximately 16 years ago. BCC continues to provide ongoing classification and job evaluation assistance to the County in maintaining the system. **Contact: Craig Oscarson, County Administrator, (507) 437-9459.**

Sibley County, MN: BCC conducted a classification and compensation study covering all County positions. BCC provides ongoing classification and job evaluation assistance to the County. BCC was recently hired and completed a salary survey for the County to assist them in analyzing their pay practices. **Contact: Roseann Nagel, HR Coordinator, 507-237-4117.**



The next section of the proposal outlines our approach to the study and the costs associated with performing the work. Should you have any questions regarding this proposal, please contact:

Robert Bjorklund
BCC
18979 Ellie Lane
Eden Prairie, MN 55346
Direct: (952) 974-9787
Fax: (952) 960-4843
E-mail: rbjorklund@earthlink.net

BCC is looking forward to meeting with you to discuss our proposal. After reviewing our materials, I am convinced you will see our capabilities, our responsiveness and our success in performing projects similar to yours.

Sincerely,



Robert Bjorklund
President
BCC, LLC

Attachments:

1. Resume
2. Sample Position Description Questionnaire
3. Sample Job Description Format
4. Sample Rating Chart (Factor 3)



I. YOUR ISSUES

Introduction:

The City of Steven's Point is looking to the successful consulting firm to:

- Review and study 77 position descriptions within the City and update, revise, create or verify the accuracy of its job descriptions.
- Evaluate the internal responsibility level of all 77 descriptions using job evaluation.
- Conduct a market study of comparable salaries and organizations.
- Develop and recommend a new compensation plan (schedule) that blends the job ratings and the market findings.
- Provide a method for the implementation of a merit pay system
- Provide training and documentation and manual for the City to use in maintaining the new job evaluation and compensation program.

Issues impacting our approach, outlined in your RFP, included:

- Our belief that the most successful compensation programs are those plans that have significant organizational involvement and high level oversight in the study, but also assure strong project leadership over the process to its objectivity, impartiality, and fairness.
- A proposal that delivers on the stated deliverables of the RFP but a work plan that is structured so as to offer some alternatives to the City to minimize the costs associated with the design of a new classification and compensation program.
- A compensation program that supports and enhances the City's philosophy with respect to pay, compensation and the attainment of its organizational goals.
- The need for the study to meet applicable laws and guidelines pertaining to HR.
- A work plan that is flexible enough to provide the City options and alternatives with respect to the work plan and consulting services provided by the BCC during the course of the study.
- A compensation program that will be effective yet relatively easy to understand, administer and maintain.

The next section of the proposal details our approach or work plan to accomplish these objectives.



II. BCC's WORK PLAN

In this section, we summarize the services and project steps that BCC will perform during the study. The work plan is presented in five major phases as follows:

Phase I:	Understand Your Current System, Needs & Philosophy
Phase II:	Study Your Jobs
Phase III:	Evaluate Your Jobs
Phase IV:	Conduct a Salary & Develop Salary Ranges
Phase V:	Design a Pay-for-Performance Program
Phase VI:	Reports, Training & Implementation Assistance

PHASE I: UNDERSTANDING YOUR CURRENT SYSTEM, NEEDS AND PAY PHILOSOPHY

Activity 1: Collect and Review Relevant HR Materials

To assist us in better understanding your organization, its structure, its policies and procedures, BCC will request various materials and documents for our review in preparation for the conduct of an initial meeting with your "Project Committee". As a general rule, we may request such materials or documents as:

- A diskette outlining all approved classification titles, names of all employees, their classification title, employee actual hourly pay rates, hourly salary range minimum, hourly salary range maximum, total; number of steps in range, current step placement, current job ratings current pay plan(s) for all employees; bargaining unit, and other information requested.
- Any written and adopted compensation and classification plans or documents including current points/rankings/grade levels of jobs under the current system.
- Updated organizational charts
- Copies of all current job descriptions on diskette.
- Past comparable cities or organizations used in salary studies.
- Copies of salary surveys purchased and used by City used in the analysis of pay by the City, if applicable.
- Any other information that we may need to assess your current system and perform the requirements of the study.
- Materials pertaining to your current performance appraisal system/procedures, if applicable.



Activity 2: Formulate a Project Committee

BCC is recommending that the City formulate a project committee to provide ongoing oversight and supervision of the study. The Committee will be chaired by BCC's Project Manager and will consist of between 3-5 City representatives. It will be the responsibility of the City to determine who will serve on the project committee, however it is essential that the City select representatives that have knowledge regarding jobs across various departments; are decision/policy makers; who are reasonable; who are respected; and who have a "stake" in the success of the study. The role of the committee will be to:

- Review the overall work plan to assure all parties understand the process and key steps and deliverables of the study.
- Assist the Project Manager in defining the compensation philosophy of the City and in examining the strengths and weaknesses of the current program
- Assist the Project Manager in identifying and examining key design elements and factors that need to be considered in the design and formulation of the new salary structure(s) and program.
- Review preliminary job rating results and provide consultant with feedback.
- Assist Project Manager in selecting survey participants and benchmark jobs.
- Review salary survey results, salary ranges and estimated cost impacts.
- Review the recommended compensation program and assist the Project Manager in addressing implementation considerations.

The Project Committee will be the primary vehicle employed by the Project Manager in communicating with the organization throughout the study and in gaining feedback and direction from the City concerning important issues of philosophy, compensation strategy, and assistance in weighting study alternatives and preliminary outcomes and findings. Having one committee to oversee the project minimizes project expenses, increases communications between the Consultant and City, increases ownership in the study, assures and fosters accountability both on the consultant's part but also the City.

Activity 3: Review, Study and Identify City's Classification & Compensation Philosophy

BCC's Project Manager will meet with the Project Committee or your designated representatives to review the preliminary work plan for the City and to review, study and mutually define the classification and compensation philosophy of the City. Together, we will mutually explore and discuss:

- The strengths and weaknesses of the City's current classification structure, its compensation program, its job evaluation system, and administration of its pay program, policies and procedures.



- The organizational climate as it pertains to change, management style, and willingness to accept change or its barriers to change.
- Role of your compensation program in retaining and attracting employees.
- Relative importance of tenure and seniority vs. performance.
- Level of managerial/supervisory skills within the City.
- The relative weight and importance to be given to internal responsibility levels (job ratings) vs. market prevailing rates.
- To what degree should flexibility and manager involvement be in the setting and administration of pay?
- Where in the market place should the City be positioning itself (i.e. at market average, at the 75th percentile, at the market median, at 110% of market, 10% below the market, etc.)? Has the City been keeping place with cost of living increases or has the City slowly been losing its market position?
- What is the financial condition of the City? Does the City have the ability to pay at market or over market? Where do employees currently perceive the City's overall pay program to be in relation to the market?
- Should different pay plans and/or reward systems be designed for different employee groups or should the program be designed in a similar manner for all employees?
- How often should job description be reviewed for changes in duties and responsibilities and relative responsibility level? Who should assume responsibility for assuring that this happens?
- How frequently do you conduct market studies? Are the studies comprehensive or only on selected positions of interest? Who has assumed responsibility for conducting market studies in the past?
- How does the City currently recognize its key performers and achievers?

These and other issues will be discussed with the Project Committee to identify your philosophy with respect to pay and in providing the consultant with some guidelines and parameters with respect to the conduct and design of the subsequent activities in the study. A summary of the findings and implications of this meeting will be provided to the City in the final report. BCC's Project Manager will also utilize the findings of this meeting to guide the design of the new compensation program and to defend, revise, or question comments, concerns, and issues raised by the City and/or Project Committee members regarding the findings, outcomes or deliverables of the study.

PHASE II: STUDY YOUR JOBS

The purpose of this project phase is to gather and analyze job information from each position under study. Job analysis serves as the foundation upon which the entire study will rest. The information used in this activity will be used to determine the need to revise or create new job descriptions; to consolidate classifications, if indicated, to evaluate classifications, to assess the comparability of



market positions, and to guide decisions in the placement of positions within the new compensation program

Our work plan below outlines a series of necessary and optional activities for the conduct of the job analysis phase of the study. We have outlined our preferred approach as requested in the RFP. BCC will review the work plan outlined below with the Project Committee and it will be the decision of the Project Committee and City to provide BCC direction on which, if any, of the optional tasks will be performed during the course of the study.

Activity 4: Hold Employee Orientation Meetings (Optional)

BCC is prepared to conduct two general employee orientation meetings to “kick-off” the study. The meetings will be informative and intended to be an overview of the study and to assist all parties understand the study, its steps and their responsibilities under the study.

Prior to the orientation meeting, BCC will develop position analysis questionnaire to gather relevant and meaningful job information from all employees covered under the study to properly assess the job evaluation criteria and to properly document essential job functions; essential knowledge and skills needed to perform the work; minimum qualifications; physical requirements; licenses/certification required to gain entry into the job; relevant working conditions associated with performing the essential functions of the job.

Note: In the event you do not feel an orientation meeting is needed, BCC will prepare a brief cover letter outlining the purpose of the questionnaire and a timeframe for completing the questionnaire. It will be the responsibility of the City to copy, distribute, collect and return the questionnaires to BCC after they have been completed by employees of the City.

Activity 5A: Conduct Employee Interviews (Option 1)

Employee interviews provide an opportunity for employees to be involved in the study, to build consensus, and provide an opportunity for the consultant to expand upon or clarify unclear or poorly written items in a questionnaire or job descriptions. Furthermore, it allows the consultant an opportunity to compare and contrast duties and responsibilities of different individuals in the same job or in different but similar adjacent jobs.

The purpose of the interviews will be to:

- 1) Clarify, identify and examine essential duties, qualifications and knowledge requirements,
- 2) Identify differences and similarities in adjacent job classes and identify which positions could be combined or consolidated under the same classification description,
- 3) Identify the accuracy of current job descriptions,
- 4) Identify information being evaluated that may not be found in the job description,
- 5) Assist us in revising and updating descriptions,
- 6) Clarify and assemble information needed to better evaluate the positions in Phase III of the study, and



- 7) Provide the understanding and knowledge to assist us in identifying possible benchmark positions and in making better analyzing job matches made survey the salary survey process.

Interviews will last approximately 30 minutes and should occur at a central location away from the employees' desk and work location. BCC will review all questionnaires and conduct at least one interview in each of the 77 existing position titles in place at the City.

Activity 5B: Interview Department Head Interviews (Option 2):

In an effort to minimize costs associated with position analysis, an alternative to employee interviews is the conduct of department head interviews. Employees will already have significant input into detailing their responsibilities and job characteristics by attending orientation meetings and completing the questionnaires. These questionnaires are quite detailed and provide ample job information sufficient to prepare job descriptions, evaluate work responsibilities, and formulate job classifications. Therefore, department interviews can be used to clarify and address:

- The organizational structure and reporting relationships within the of department;
- Necessary qualifications and experience requirements of jobs within the department;
- Discuss specific concerns about jobs or specific market/recruitment pressures within the department or highlight specific jobs of concern to the consultant;
- Concerns or issues of the consultant in the review of individual employee questionnaires within their department; and
- To discuss any specific concerns or issues concerning the relative value of positions in the department.

Depending upon the number of departments, size and number of positions in the various departments, interviews can be expected to last between 1 – 2.5 hours. BCC will budget for 18 departmental interviews should you select this option.

Activity 6: Prepare, Develop and/or Revise Classification Descriptions

If current classification descriptions are outdated, do not reflect current duties, or the classification descriptions do not conform to ADA requirements (i.e. identify essential duties, knowledge and skills, qualifications, physical requirements, adverse working conditions, and the like), BCC will required to prepare, revise and/or create new classification descriptions. A draft description will be prepared by BCC and provided to City managers who will be responsible for reviewing and recommending revisions or changes to the draft descriptions. BCC will update and finalize the descriptions based upon managerial comments and when the requested changes conform to sound principles, classification concepts, and add significantly to the content or clarity of the description.

Our proposal assumes that many of the job descriptions will require only minor revisions and a lesser amount will require major revision or new descriptions. The costing proposal assumes and estimates that 60% will only require minor revisions and 40% major or significant revisions.



PHASE III – CONDUCT JOB EVALUATION

The purpose of this project phase is to determine the internal relative value of each classification description created or revised in Phase II using job evaluation. The objective of this phase is to assure that the classifications and positions are aligned objectively and fairly internally using job evaluation. This phase will assist us in:

- Addressing internal pay equity,
- Provide the City with a basis for analyzing external market data,
- Allocating classifications to uniform ranges based upon the responsibility level of jobs within each of the pay plans to be developed as part of the study.

To accomplish this phase, the following tasks will be required.

Activity 7: Evaluate All Job Classes

BCC like most professional consulting firms utilizes its own proprietary job evaluation system for assessing “job value or responsibility level”. As such, it would be unprofessional to utilize, modify or implement the intellectual property of other firms. Therefore, if hired by the City, BCC will assess job value using the **Classification Matrix System (CMS)** which is the intellectual property of our firm.

The job evaluation process will produce a point value for each job, and it is this value that will provide the basis for determining appropriate internal relationships of each job classification. Different job evaluation systems assess jobs on different criteria or measures of relative job worth. In this activity, we will utilize BCC’s **Classification Matrix System (CMS)** to evaluate all of your jobs. This activity is essential for building a classification and compensation program that is viewed as internally equitable and fair based upon the responsibility level of jobs. **CMS** is a point matrix system that evaluates four classification factors – each comprised of two sub-factors. The system was designed specifically with the public sector in mind. The factors and factor weights are as follows:

Classification Matrix System (CMS)

<u>Factor:</u>	<u>Relative Weighting:</u>
Factor 1: Knowledge & Skills <u>Sub-factors:</u> a. Nature of Assignments b. Occupational Skill Level	52%
Factor 2: Supervisory Authority <u>Sub-factors:</u> a. Level of Supervisory Responsibility b. Extent of Supervisory Responsibility	20%
Factor 3: Public Relations <u>Sub-factors:</u> a. Customer Relations b. Governmental Relations	20%



Sub-factors:

- a. Physical Effort
- b. Risks and Hazards

Each of the four factors is evaluated and the points are summed to arrive at a point score for the entire job. Like other point systems, positions with similar point values are grouped together and assigned to similar salary ranges. The advantages of the CMS system are that:

- It operates like other point systems and thus is more understandable to your employees.
- The criteria being assessed are meaningful and are relevant to all jobs in the public sector.
- It provides for documentation and is flexible in meeting changes in organizational structure and changes in responsibility levels of jobs.
- Factors are not redundant and do not capture similar characteristics as other factors. Because the factors are not overlapping we can assess the jobs using fewer factors and thus the system more is more efficient, requires less time to assess jobs, and requires less documentation.
- The CMS system is fair, unbiased and permits for the consistent treatment of pay for jobs with similar (not necessary identical) point values.

BCC is recommending that the consultant make the initial rating determinations of all jobs under study. We are proposing this because:

- BCC believes it is difficult at best to be objective, open and impartial in evaluating co-workers, peers and superiors.
- Committee members frequently tend to change over time for a host of reasons. Evaluation committees work best when the membership is stable over a long period of time.
- It has been our experience that it is very difficult for committees to separate employees from the jobs.
- It is difficult for Committees to separate employee performance from the minimum requirements and essential functions outlined in the description vs. what an employee may bring to the job or duties performed that are not “essential functions”.
- Pressures can be placed on committee members by other employees, other managers, other committee members or officials of the City to use the classification and rating system as a means of granting pay increases when in fact there have been minimal changes in the relative responsibility level or purpose of the positions.

To assure objectivity, fairness and impartiality, BCC is recommending that it make the preliminary rating recommendations for all jobs. BCC will meet with the Project Committee or designees of the City to review the ratings and rating outcomes for all jobs to address their concerns or issues, if any. Based upon specific concerns and issues raised by the Project Committee, BCC will revisit, revise and/or finalize the rating outcomes. The ratings and rating templates used in rating all positions will be provided to the City on diskette to facilitate documentation and ongoing maintenance requirements.

PHASE IV: CONDUCT A SALARY SURVEY AND DEVELOP SALARY PLAN(S)

Sound compensation theory and practice suggests that organizations cannot just rely solely upon internal comparisons of pay nor can a sound compensation program be based exclusively on external pay relationships. The dual considerations of internal equity and external equity require that both be incorporated into a new pay program for it to be perceived as fair and assure its ability to meet the needs of the organization.

In this project phase, BCC will collect, analyze and determine the competitive posture of your pay rates in relation to other comparable organizations in order to examine external pay equity. The objectives of this project phase will be to:

- Identify, select and gather salary information from comparable organizations in which the City competes with for personnel or are perceived as having similar operating characteristics and jobs.
- Analyze and determine the competitiveness of the City's current pay rates and pay ranges.
- Reconcile differences between the internal ranking of jobs and the external market.
- The design of salary ranges will be consistent with your philosophy with respect to pay and your ability to financially support the new salary plan(s).
- Develop procedures and methods for incorporating a merit pay program within the new salary plan.

Activity 8: Select Survey Participants & Benchmark Jobs

The purpose of this task is to identify the survey participants that share similar characteristics to the City in order to make sound compensation comparisons. BCC will work with the Project Committee to identify and select appropriate and comparable organizations and benchmark jobs in which to survey.

In identifying the appropriate organizations to survey during this study, we will work with you to:

- Identify the cities, private and/or public organizations within your geographic area that the City competes with for personnel and have jobs similar to the City of Stevens Point.
- Identify the type and level of jobs each comparable employer might have to assist us in identification of benchmark classifications to be used in the conduct of the market study. Note: As a general rule, it has been our experience that approximately 30-40% might serve as acceptable benchmark jobs. We would also anticipate that approximately 15-25 organizations be identified as participants in the salary survey.

Activity 9: Develop & Distribute a Salary Survey Questionnaire

Using the information contained in the job descriptions, we will prepare a brief summary description for each of the survey benchmark jobs. Participants will be asked to match their jobs against the



benchmark descriptions, and when a match exists, they will be asked to provide salary information such as:

- salary range minimum, midpoint, and maximum
- average salary
- Eligibility for additional pay over salary maximum, such as:
 - Shift differential
 - On-call pay
 - Performance pay
 - Additional pay for licenses/certifications
 - Longevity pay “over pay range maximum”
 - Etc.

The survey data collection form will be provided to the Project Committee prior to sending to participants. Once finalized the survey data collection forms will be mailed to each of the participants. A cover letter and data collection form will be sent to all prospective survey participants. Several days after mailing the form, BCC would request that City contact each of the selected participants to request their participation in the survey. Your assistance is necessary in that our experience suggests that the participation rate is greatly increased when participant organizations receive the request from another City, as opposed to a consultant.

Activity 10: Analysis of the City's Labor Market Competitive Position

BCC will assume responsibility for compiling and analyzing of all the market data. We will also ensure the proper data entry and verification of salary data. BCC will prepare a survey report which will summarize the salary information collected for each classification and each participant. This information will be reviewed with the representatives of the Project Committee.

Our analysis of the survey data will include the following:

- For each job, a summary of the overall average, median, the 25th percentile and 75th percentile pay rate for each benchmark job. (See Sample Exhibit I)
- For each job, BCC will show the number of employees steps, salary range spread, average pay rate, salary range minimum, midpoint and maximum for each participant providing data for that benchmark job.
- For each job, we will also summarize the overall average salary range minimum, midpoint, maximum and average salary range spread to assist us in comparing your salary structure with the market.

To summarize the findings for all positions and to assess the overall competitiveness of the City's pay rates in relation to the market, we will:

- Compare the average market salary to the average City's salary for each benchmark job. We will then determine the overall average difference between each job to assess the overall difference with respect to the market. (See Sample: Exhibit II)



Statistically analyze the market rates of pay using regression analysis to determine the market's predicted salary rate based upon the level of a job (job rating) and then compare the predicted market average by level against the City's average pay by level. This approach will give us another indication of the market competitiveness of the City's pay rates. (See Sample: Graph 1.)

Sample Exhibit 1

Benchmark 9: Utilities Operator: Under the direction of the Utilities Director, the Utilities Operator is responsible for performing a variety of technical and manual activities engaged in the operation and maintenance of City water and wastewater systems. Responds to emergency situations and call outs. Duties include the inspection, repair and maintenance of sanitary and storm sewer lines; operates and maintains the wastewater treatment plant and water plant; conducts daily water sampling and testing; adjusts chemicals; assists in reading water meters for billing purposes; and responds to questions concerning water quality, regulations and general operations. Requires a HS Diploma, Class B Driver's license, and prefer a Class C Water and Class D wastewater license.

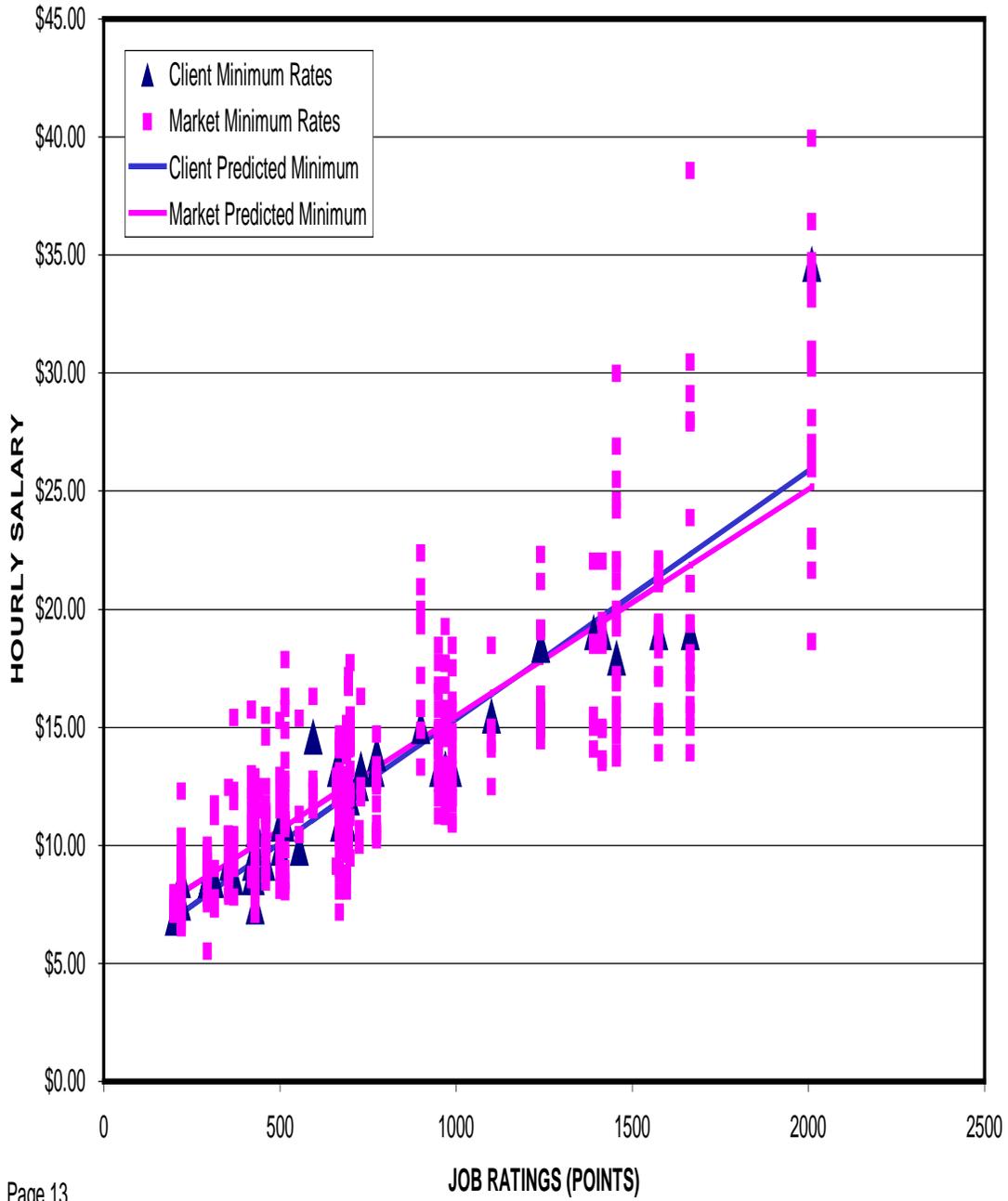
Job No.	Participant Name	Participant's Job Title:	Degree of Match (1-5) 5 Almost Identical	No. of Emp's In Job	No. Steps In Range	Average Hourly Salary	HOURLY SALARY RANGE			Salary Range Spread
							Minimum	Midpoint	Maximum	
9	Sample Client	Utility Operator II	5	2	10	\$19.59	\$15.32	\$18.58	\$21.83	42.5%
9	Sample City	Public Works II	3	1	7	\$24.86	\$19.56	\$22.21	\$24.86	27.1%
9	Sample City	Wastewater Treatment Plant OP	5	1		\$24.57		\$24.57		
9	Sample City	Maintenance Worker (Utilities)	5	3	7	\$23.66	\$20.62	\$20.93	\$21.23	3.0%
9	Sample City	Wastewater Operator	5	1	7	\$23.02	\$19.57	\$21.30	\$23.02	17.6%
9	Sample City	Utility Operator	5	2	10	\$22.52	\$19.21	\$22.44	\$25.67	33.6%
9	Sample City	Public Utilities Worker II	4	2	8	\$21.84	\$20.68	\$21.80	\$22.92	10.8%
9	Sample City	Water Treatment Plant Operator	5	1		\$21.13		\$21.13		
9	Sample City	Water/Wastewater Operator	5	4	6	\$20.57	\$16.46	\$18.52	\$20.57	25.0%
9	Sample City	Water/Wastewater Operator	4	1	5	\$20.30	\$17.00	\$21.70	\$26.40	55.3%
9	Sample City	Maintenance Worker I	5	2	5	\$20.14	\$18.22	\$20.19	\$22.15	21.6%
Average			5		7					24.2%
Total				18						
						<u>Descriptive Summary Statistics: (Excludes NYA)</u>				
						Hourly Salary Range Data				
						Average	Minimum	Midpoint	Maximum	
						25th Percentile	\$20.71	\$17.92	\$20.98	\$21.92
						Median	\$22.18	\$19.39	\$21.50	\$22.97
						Average	\$22.26	\$18.92	\$21.48	\$23.35
						75th Percentile	\$23.50	\$19.83	\$22.11	\$25.06




Sample Client

TREND ANALYSIS OF MINIMUM PAY RATES

Graph I



Activity 11: Design and Develop Pay Plan(s)

Based upon our discussions with the Project Committee, your stated compensation philosophy, and the results of the salary survey, BCC will recommend revised salary ranges and pay plans for all jobs under the study, using sound compensation practices and principles, to bring the overall pay structure(s) into a more competitive stance with the market. As part of this process, we will formally allocate each of the City's positions into its appropriate salary range within each pay plan by blending the results of the job grading and the salary survey results. Ranges will:

- Reflect the compensation philosophy of the City.
- Will be design so as to minimize pay compression between supervisory and non-supervisory positions.
- Will be anchored to the market data yet also reflect the placement of jobs to ranges based upon the relative internal responsibility level of jobs within the City. BCC will reconcile major differences between the market and internal responsibility and reallocate positions to better reflect market prevailing rates.
- Will incorporate your merit pay plan or will incorporate the new merit pay plan developed by BCC.
- Will incorporate sound design compensation practices and principles.

Activity 12: Review Survey Results, Findings & Implications

The findings of the survey will be reviewed and discussed with the Project Committee to discuss its impact and to assess its implications for the proposed pay plans. Depending upon the implications and findings of the salary survey, BCC will assess and review the commitment of the Project Committee to its compensation philosophy and any implications the results of the survey may have on BCC's recommendations, procedures and policies concerning the administration of pay within the proposed salary plan. BCC, we will provide you a cost estimate and implementation strategy the pay plan. After reviewing the results with the Project Committee, it may be necessary to provide another alternative approach for implementing and costing the results of the study. This will of course depend upon financial considerations and political considerations raised by the Committee.

PHASE VI: DESIGN A PAY FOR PERFORMANCE SYSTEM FOR CITY

Activity 13: Design a Pay-For-Performance System

The design and formulation of a pay for performance program in and of itself is not difficult.



What is difficult is the administration of a pay-for-performance system. BCC believes most employees and managers support the notion that pay should be based upon performance yet most employees also feel evaluations are subjective and question the capability of managers to assess performance fairly. The success of a pay for performance system involves addressing barriers to success. Typically, they include:

- Resistance to change
- Lack of high level commitment to the program
- Lack of training and understanding in the system
- Focus on personal attributes rather than specific performance outcomes
- Poor management/supervisory skills of managers
- Inadequate funding if evaluations are tied to pay and performance
- An organizational culture not supportive to pay for performance
- Performance criteria inconsistent with organizational philosophy and objectives

BCC would like to utilize the collective understanding and knowledge of the Project Committee to address these and other design issues. BCC will bring the Project Committee together for the better part of one day to discuss the above and other design issues. Together we will:

- Explore the risk factors and barriers to success.
- Determine the need for a uniform plan or perhaps multiple plans (e.g. plan for department heads and managers, a plan for professional/technical, a plan for administrative support positions).
- Discuss whether the performance system should be based on specific goal attainment or on general performance dimensions/performance criteria (e.g. demonstrated manager skills; fiscal responsibility, etc.). Are goals more specific for one group of employees and general dimensions of performance more relevant for others?

BCC will work with the Project Committee to:

- Select and define appropriate and relevant dimensions of performance common to all jobs under review.
- Discuss and determine rating scales.
- Discuss and determine the relative weighting of performance dimensions or criteria with respect to the overall rating.
- Discuss and define administrative procedures
 - Should the evaluation system be linked to pay increases immediately or phased in over time as managers and employees become more accomplished with the use, applications, outcomes and procedures of the program?
 - To what extent will pay be “at risk”, if any?
 - Who will perform the performance ratings for department heads
 - Should self and peer ratings be incorporated into the rating process and to what extent?



- If goal setting is a part of the performance program, who will set the goals and what procedures will be in place to assure the goals are consistent with the needs and objectives of the organization?
- Will performance increases take effect on calendar year, fiscal year or employee anniversary?
- Assuming a similar rating outcome (e.g. meets expectations), will the plan design take into account a person's relative position in the salary range, longevity in the job, etc. and adjust pay increases accordingly?
- Will performance increases be provided in a lump sum payment or distributed on some other basis?

Based upon our discussions, BCC will then design rating forms, rating scales, and detail administrative procedures for the performance plan(s) discussed with the Project Committee. BCC's Project Manager will bring the Committee back for a second day to review the rating forms, dimension definitions, and forms to obtain their feedback and then make any revisions or corrections, if necessary.

PHASE VI: PREPARE TRAINING MATERIALS, HANDBOOKS, FINAL REPORT AND CONDUCT TRAINING AND PRESENTATIONS

Activity 14: Prepare a Classification and Job Evaluation Manual

BCC will develop a manual to be used by the City in maintaining the job evaluation system at the conclusion of the study. The manual will include all forms used in the conduct of the study, diskettes for documenting job ratings, points and salary grades, grading score sheets or other materials used in the study. The content of the manual will include topics such as:

- Review and definition of job evaluation factors and degrees
- Schedules used in allocating jobs to salary ranges on the basis of total point scores
- Template Position Description Questionnaire
- Copies of all job descriptions on diskette
- Spreadsheets documenting job ratings and for maintaining job changes over time
- Recommend policies for conducting classification and job rating reviews of existing jobs, new jobs, or jobs subject to recent organizational restructuring
- Forms and materials to communicate requests for review and to communicate results.

The manual will also outline our recommendations and procedure for conducting ongoing classification reviews, forms and recommendations concerning the updating of the salary ranges and structures to properly administer your program over time.



BCC will conduct a training session with City staff and administrative personnel charged with maintaining the job evaluation, classification and compensation program. Our review will also discuss transition and implementation issues and concerns.

Activity 15: Prepare and Present a Final Report

BCC will prepare and present a final report summarizing the process followed during each phase of the study and our findings and recommendations. Under separate cover, we will provide the City with the detail and summary results of the salary survey, manual or other documents created as part of the study.



III. PROJECT TIMING & COSTS

A. Project Timing

According to your RFP, you would be expecting that the study begin in June and be completed by the end of August. This is an extreme ambitious project schedule. I do not believe the City anticipated the time required for employees to complete questionnaires, managers to review questionnaires, managers to review 1st draft job descriptions, time for the City to schedule and coordinate interviews and meetings. In addition, the development of a performance management system and a new classification program has a considerable impact of City employees and will impact the City for many years to come. It is necessary and highly recommended that the City allow for and permit sufficient time to review, assess and explore the implications of the study at each key point in the study. I do not believe your schedule takes this into account. For example:

- 1) The 4 weeks required to gather and assemble current and updated job information from all employees. This is typically a 4 week process where employees are given 2 weeks to complete the questionnaire, managers 1 week to review the materials, and HR 1 week to assemble, mail and return all of the data to the consultant. Frequently, clients take more than the estimated 4 weeks to perform and carry out this activity. This is beyond the control of the consultant.
- 2) Consultant reviews PDQ's, building interview schedule and the City needs to then schedule interviews.
- 3) The work plan calls for 6 meeting with the project committee and it may be difficult at times to coordinate all member's schedules in accordance with the consultant's.

For these and other reasons, BCC believes as more realistic, defensible and honest work plan and schedule would be as outlined below:

<u>Project Activity</u>	<u>Time Frame:</u>
Phase I: Initial Meetings	1 week
Phase II: Study Jobs	
-Gather job information and establish interview schedules	4 weeks
-Conduct employee interviews or manager interviews	2 weeks
-BCC revises and updates job descriptions, managers review	4 weeks
Phase III: Rate Jobs:	2 weeks
Phase IV: Salary Survey & Develop Salary Plan	7 weeks
Phase V: Design Pay For Performance Plan	2 weeks
Phase VI: Prepare Reports, Conduct Training, Present Report	<u>2 weeks</u>
Estimated Weeks:	24 Weeks

Note: Some of these projects tasks run concurrently and BCC assumes that the schedule can be reduced by 4 weeks over the schedule outlined below provided the City can meet the schedule and meeting requirements established by BCC. Therefore, BCC feels it can accomplish the study in 5 months. It would be easy to say the work can be done in your timeframe, and others will, BCC does not believe a quality study can be produced within three months realistically.



B. Project Costs

BCC typically bills its clients at the conclusion of each project phase. Costs are estimated based upon the nature of the consulting task and the hours/expenses needed to perform the work. Our proposal is expressed as a "not to exceed figure" which includes expenses by project phase.

<u>Project Activity/Phase</u>	<u>Fees & Expenses</u>
Phase I: Project Initiation, Review & Philosophy	\$1,200
Phase II: Study Jobs:	\$10,365-\$14,015
<ul style="list-style-type: none">• Employee Orientation Meeting: (Optional) \$500• Option 1: Conduct Employee Interviews: \$6,650<li style="text-align: center;">or• Option 2: Department head interviews: \$3,500• Prepare, Update or Create Classification Descriptions<ul style="list-style-type: none">○ 46 descriptions minor revisions @ \$65 per description= \$2,990○ 31 descriptions major revisions @ \$125 per description= \$3,875	
Phase III: Evaluate Your Jobs	\$3,000
Phase IV: Conduct Salary Survey	\$4,500
Phase V: Develop Pay-For-Performance Plan	\$4,000
Phase VI: Training, Manuals, Final Report	<u>\$2,000</u>
<u>TOTAL COST (includes Fees & Expenses):</u>	<u>\$25,065-28,715</u>

Depending upon the optional activities selected by the City, the work plan indicates the cost to perform the services outlined will be between \$25,065 to \$28,715.

V. INSURANCE

BCC carries professional liability up to \$1,000,000 per claim. In addition, we meet or exceed most client insurance requirements for general liability insurance, automotive insurance as well as carrying Umbrella coverage.



APPENDIX



ROBERT W. BJORKLUND

President

Mr. Bjorklund is the President and founder of BCC (Bjorklund Compensation Consulting, LLC). He has over 29 years of public sector compensation consulting experience and 31 years of human resource experience. Mr. Bjorklund specializes in compensation consulting for governmental jurisdictions and public sector organizations.

Examples of past engagements include:

- Project Manager or Technical Advisor for numerous compensation, classification or pay equity studies conducted for various school districts or technical colleges including:
 - Anoka-Hennepin, MN
 - Bloomington Schools, MN
 - Winona Public Schools, MN
 - Albert Lea Public Schools, MN
 - Chaska Schools, MN
 - Northeast Metropolitan Technical College
 - Pine City Technical College, MN
 - Big Lake Schools, MN
 - Jackson Public Schools, Miss.
 - Kalamazoo Public Schools, MI
 - Dakota County Technical College, MN
 - Centennial Public Schools, MN
 - Burnsville Schools, MN
 - Buffalo Lake Schools, MN
 - White Bear Lake Schools, MN
 - Mahtomedi Schools, MN
 - Spring Valley Schools, MN
 - Winona Technical College, MN
 - Polk County Schools, Florida
 - Atlanta Public Schools, Ga.
 - Lee County Schools, FL
 - Hermantown Schools, MN
 - Rush City Schools, MN
 - Sauk Centre Schools, MN
 - Dover-Eyota Schools, MN
 - Intermediate District #917, MN
 - San Jacinto Community College, TX
 - Rapid City Public Schools, SD
 - Family Academy, MN
 - Western Dakota Technical Institute, SD
 - Waconia Public Schools, MN
 - Bagley Public Schools, MN
 - Minnewaska Public Schools, MN
 - Robbinsdale Public Schools, MN
 - Fridley Public Schools, MN
 - Brainerd Public Schools, MN
 - St. Cloud Public Schools, MN
 - Orono Public Schools, MN
 - Farimont Public Schools, MN
 - Wrenshall Public Schools, MN
 - Clay County Schools, FL
 - Albert Lea Tech. College, MN
 - Inver Grove Schools, MN
 - Detroit Lakes Schools, MN
 - St. Anthony Schools, MN
 - Osseo Schools, MN
 - Pine City Schools, MN
 - St. Louis Park Schools, MN
 - Mounds View Schools, MN
 - Southwestern Tech. College, MN
 - Illinois State BD of Ed., Ill
 - Duluth Public Schools, MN
 - Buffalo Schools, MN
 - Princeton Schools, MN
 - Wadena Schools, MN
 - University of Nevada, Nevada
 - Spring Lake Park Schools, MN
 - Detroit Lakes Tech College, MN
 - Pine City Schools, MN
 - Gateway Technical College, WI
 - Polk County Schools, FL
 - St. Francis Schools, MN
 - St. Claire Schools, MN
 - McLeod Schools, MN
 - Intermediate District #916, MN
 - Anoka-Hennepin Technical College
 - Minneapolis Public Schools
 - North Dakota State College of Science
 - Hawley Public Schools, MN
 - Sartell-St. Stephen Schools, MN
 - Hastings Public Schools, MN
 - Rochester Public Schools, MN
 - Waterville Public Schools, MN
 - Mankato Public Schools, MN
 - Janesville/Waldorf/Pemberton Schools, MN
 - Centennial Public Schools, MN
 - West Fargo Public Schools, ND
 - Windom Public Schools, MN
 - Blue Earth Public Schools, MN
 - Red Wing Public Schools, MN
- Project manager or technical advisor for numerous county government studies involving pay equity, classification, job evaluation, salary survey and/or salary structure development:
 - Hennepin County, MN
 - Polk County, WI Eau Claire County, WI
 - Washington County, MN
 - Carver County, MN
 - Polk County, MN
 - Kittson County, MN
 - Marshall County, MN



Dakota County CDA, MN
 Dakota County, MN
 Pine County, MN
 Pipestone County, MN
 Becker County, MN
 Koochiching County, MN
 Cass County, ND
 Mower County, MN
 Jackson County, MN
 Ozaukee County, WI
 Carver County Soil & Water District, MN
 Monroe County, WI
 Houston County, MN
 Sibley County, MN
 Grant County, WI
 Mower County Soil & Water, MN
 Koochiching County, MN
 Olmsted County, MN

Blue Earth County, MN
 Rice County, MN
 Murray County, MN
 Sherburne County, MN
 Region 8 Welfare BD, MN
 Clay County, MN
 Freeborn County, MN
 Waseca County, MN
 Santa Rosa County, FL
 Dodge County, MN
 Fillmore County, MN
 Scott County, MN
 Mower County Soil & Water
 Dunn County, WI
 Clearwater County, MN
 Brown County, WI
 Grant County, MN
 Pennington County, MN

- Assisted or managed various state government or state agencies address classification and compensation issues. These include:

State of Kansas
 North Dakota Supreme Court
 State of Illinois

State of Nevada
 State of North Carolina
 State of Arizona

- Assisted or managed various studies for municipalities dealing with human resource issues including job evaluation, performance management, management studies, salary survey or salary structure development including:

City of Northfield, MN
 City of Eagan, MN
 City of Seattle, WA
 City of Apple Valley, MN
 City of Kansas City
 City of Cumberland, MD
 City of Brookings, SD
 City of Norwood Young America, MN

City of Jackson, MN
 City of Crystal, MN
 City of Becker, MN
 City of Rochester, MN
 City of Sheboygan Falls, WI
 City of Cedar Rapids, Iowa
 City of Plymouth, MN

- Participated in or managed a variety of job evaluation or compensation studies for various private or non-profit organizations including:

Hogan Systems, TX
 Metropolitan Financial Corporation, MN
 Tandy Corporation, TX
 United Hospitals, MN
 North Shore Hospital, MN
 Arrowhead Regional Library System

Semcac, Inc., MN
 Rich Engineering Co., MN
 Pipestone Medical Center, MN
 State Compensation Fund, AZ
 Western Community Action, Inc., MN
 MN Counties Intergovernmental Trust

Prior to forming BCC, Mr. Bjorklund was a Partner in a local HR consulting firm and prior to that was a Senior Manager at Ernst & Young. Mr. Bjorklund is currently a member of the Society for Human Resource Management, the American Compensation Association, and International Personnel Management Association. Mr. Bjorklund attended both Winona State University and the University of MN Graduate Program in Industrial Relations.



I. INTRODUCTION

The City of Stevens Point, WI (City) requested a proposal from our firm, Carlson Dettmann Consulting LLC (CDC), to conduct a classification and compensation study and analysis covering 43 management job classifications and 31 hourly staff classifications. The following is our proposal to conduct this study for the City.

II. CONTENT OF PROPOSAL

This study will cover 43 management job classifications that are familiar to us because we conducted a similar classification study covering these positions for the City in 2007. The 31 hourly job classifications have been covered by collective bargaining agreements, and it is now the City's responsibility to develop and manage a pay structure for these employees, as well as the employees who historically have been non-represented.

If selected to conduct this study, CDC will complete the following tasks:

- (a) Review and analyze relevant organizational values and concerns. Determine current organizational needs in regards to a classification and compensation system.
- (b) Conduct project orientation sessions to explain the scope of the project, our methods, and each employee's role.
- (c) Assist the City in developing a total compensation measurement method that will support the strategic management of its pay plans.
- (d) Document position responsibilities for all staff that we are asked to review.
- (e) Determine desired total compensation policy; i.e., the appropriate relationship between pay and benefits, the appropriate market(s), and the City's intended target for pay practices in relation to the market.
- (f) Conduct marketplace research to determine appropriate competitive compensation (base pay) relationships so the City can successfully recruit/retain highly qualified employees.

- (g) Comment on the quality and cost of the benefit program and recommend modifications that seem warranted by the City's total compensation philosophy.
- (h) Design pay range options that are consistent with the City's pay policy and reflect appropriate pay practices for public sector employees at these levels.
- (i) Recommend allocations of each position to an appropriate pay grade based on appropriate internal equity and marketplace considerations.
- (j) Discuss with City leadership the issue of pay progression with appropriate consideration for both length of service and performance. Make recommendations based on the identified pay philosophy, feasibility and affordability.
- (k) Review supporting pay administration policies, including overtime pay status and policies.
- (l) Review the current process for internal maintenance of the classification and compensation system, making recommendations as appropriate.
- (m) Conduct classification appeals following adoption of a new plan by Client. Appeals must be submitted within 30 days of plan adoption.
- (n) Develop follow-on project proposals for the design and implementation of a pay-for-performance system.

III. METHODOLOGY

The City can either adopt a uniform pay plan for all covered staff or separate schedules for the management and hourly staff groups. In either case, the plan(s) would be based on modern compensation principles and practices. The steps proposed for us to complete a consulting study of the job classification systems for the City would be as follows:

Phase One: Project Definition and Orientation

The first step in this project would be refinement of the project plan to meet the specific needs of the City. An initial meeting with the City Council will help ensure mutual

understanding concerning the scope and task sequence of the study and everyone's role. Specific items to be addressed would include:

- The timetable for the project — overall and interim steps;
- The system and process our firm utilizes to determine the relative value of each position using our point-factor Job Evaluation System;
- The policy and intentions of the parties with respect to correcting inequities that may be identified;
- The manner of communicating project progress to employees.

At the outset of the study, we would ask the City to provide guidance on three key policy questions:

1. What markets does the City wish to use for which job classifications?
2. Where does the City prefer to position its pay plan(s) in those markets?
3. How does the City want to deliver future pay changes? Based on performance, length of service, changes in living costs, or some combination of two or more of these factors?

We would lead a discussion on potential answers to these three questions, offer our experience and suggestions, and develop the pro's and con's of the various alternatives.

Phase Two: Position Analysis

Position analysis is the formal process we use to gather information about the duties, responsibilities and requirements of each position. In order to evaluate job content objectively and classify jobs, we need to document position responsibilities. This is the first part of the job evaluation portion of the project.

It is our experience that the best way to obtain accurate information is to have employees describe their own jobs in a systematic, complete manner because the person performing the job is the single best source of information about the job. The insights and opinions of the supervisor and department head are also important to consider.

Note: Because the City conducted a similar study of management positions six years ago, the City could opt for requiring new documentation on only those positions that have changed. We have priced our proposal to reflect this option.

The position analysis process begins when we conduct project orientation session(s) for covered staff to explain the project, identify each person's responsibility for job documentation and review, distribute the necessary materials, and answer questions. In terms of project explanation, we outline the reasons for the study, the manner in which it will be conducted, the responsibilities of each employee for job documentation, the approximate time involved, and the results to be expected. The meeting also serves to manage expectations and to minimize feelings of concern or anxiety on the part of the employees.

In conjunction with these orientation meetings, the City would distribute a copy of our Job Description Questionnaire (JDQ). This is the main source of position information for our evaluation. The JDQ is designed to collect detailed information on specific tasks and examples of each person's responsibility in key areas such as communication, mental effort, supervision, financial administration, working conditions, etc.

Items on the Questionnaire relate directly to our Job Evaluation System. The JDQ is available in an electronic format and can be placed on a network or distributed via e-mail. Although the electronic version is the preferred method for gathering information, a handwritten version is available. We have included a copy of the electronic form of our JDQ; it also is available in long form for any employee who prefers to complete it by hand or typewritten.

Employees would be given a period of time (generally two to three weeks) to complete the JDQ, after which s/he would sign it and pass it on to their supervisor. Supervisors would review staff responses and comment independently, as needed.

The JDQ gives each employee ample opportunity to explain their positions. The City has requested the Consultant conduct employee interviews. However, it has been our experience that interviewing every employee is unnecessary and costly. As part of the base fee for this project, we would interview every department head. In addition, we are offering a per interview fee that the City can use to select additional staff that it wants CDC to interview. We do ask each employee for contact information, and we provide ours, as well, so we can communicate if questions arise.

Phase Three: Job Evaluation

The City is familiar with our Point Factor Job Evaluation System because we used it for the City's early study of management positions that was adopted by the City Council. For those who may not be familiar with it, I will summarize its purpose and content here.

The purpose of job evaluation is to provide an objective means of ranking each position in an organization, independent of individual performance, into a hierarchy. Our job evaluation methodology is based upon determination of discernible differences in job content. Our system measures job content at objective levels in the following dimensions (otherwise known as "compensable factors"):

- Formal Preparation and Experience
- Decision Making (Impact)
- Thinking Challenges and Problem Solving
- Interactions and Communications
- Work Environment

Each of these factors is broken down into sub-factors with point levels associated with measured levels on each factor. We have used the system in thousands of applications, and it consistently yields valid results. It has been our experience that these factors of internal job worth are consistent with values found in our client organizations. Because of their breadth, they cover all main aspects of a job and are also seen as relevant to employees at all levels in the organization.

We would apply the job evaluation system to all of the documented job content. A summary explanation of the system is attached.

Our recommendations regarding job evaluation outcomes also would include a recommendation on employee exempt/non-exempt status in accordance with the federal Fair Labor Standards Act.

Phase Three: Market Analysis

We would collect and analyze relevant labor market information for the City to determine competitiveness of base salaries. As indicated above, the City would have significant input into the selection of markets to be surveyed. We would utilize excellent published data sources, as well as custom survey data as needed, and we maintain an extensive survey library for this purpose. We believe that there is sufficient

published salary survey information for private sector comparisons in the City's labor market for similar positions.

Phase Four: Total Compensation Analysis and Benefits Review

We approach human resource consulting from a total compensation perspective. As part of this phase of the project, we would conduct a review of the City's total compensation program, including development of cost estimates for the major benefit categories: required benefits (social security, Medicare, unemployment and worker's compensation), paid time off, retirement, and medical coverage. All of our research and practical experience indicates that most public employees have benefit programs involving employer cost contributions that are superior to area private sector employers.

It is impossible to obtain accurate local survey measures of benefits costs from private sector employers; however, we can develop reliable anecdotal information to guide the City's decision-makers. We also can develop reliable estimates of the dollar value of the City programs in determining future hiring salaries.

Phase Five: Pay Plan Design

Using the results of the job evaluation process (internal relationships) and market data (external competitiveness), we would design an appropriate salary structure and draft all of the necessary supporting policies. We would develop pay plan(s) that are appropriate for pay-for-performance or step-based increases, as directed by the City policy body in our policy discussions.

We also would provide pay plan implementation alternatives should there be costs requiring mitigation by implementation over time. If there are positions deemed to be overpaid, then some version of "red-circling" would be the suggested method of moving forward with those situations.

Phase Seven: Public Presentations

I would be the Project Director for the City of Stevens Point project and would be responsible for all public presentations. We advocate transparency in our consultations, so the City can expect an articulate, detailed discussion of our findings and recommendations. Our practice emphasizes communication with employees at all steps of the process.

At Carlson Dettmann Consulting, we are proud of our record of adoption and system continuation. We develop and present solutions that are sound, understood, and stand the test of time. If the City follows our recommendations on system maintenance, the only tweaks to the system should be review of the pay distribution formulas and a periodic market re-pricing. Job classifications should not be an issue.

Phase Eight: Employee Appeals

We would develop an appeal procedure so that a staff member can request a review of the job evaluation and position classification outcome of this study. This appeal process is critical to the validity and the acceptance of the process. An appeal of the job evaluation result refers to an objection to the pay grade in which the position has been placed.

We would conduct this appeal process after study recommendations are adopted by the City. The reasons why we recommend handling the appeal process in this way are twofold. First, employees have had an extensive opportunity to document their job and participate in the analysis process. The process is designed to be participatory and fair. Second, there really is nothing to appeal until the recommendations are adopted. The appeal process is keyed toward individual cases, not the system itself.

This appeals approach keeps the process manageable. Because of the substantial opportunities employees have had to communicate the content of their job, the number of appeals is generally very limited. We believe the standard for an appeal should be that the job has changed substantially during the study so that it could not have been evaluated accurately or there has been a gross error.

IV. QUALIFICATIONS AND REFERENCES

While the City administration is familiar with our work, newer members of the City Council and some staff may not be. As noted above, we conducted, and the City implemented, a full classification and compensation project for the management positions in 2007. Our knowledge of City operations and organization, a history of working effectively with the administration, and our more recent experience with projects in Central Wisconsin would be a major asset to the City in the present project

I would be the primary project consultant and responsible for project supervision and all plan presentations to the City Council. I had primary responsibility for the 2007 Stevens Point classification/compensation study.

I have been a Human Resources Professional for over 40 years and have developed pay plan solutions from coast to coast; however, my primary focus continues to be Wisconsin. I began serving Wisconsin communities in 1972 as Personnel Director of the City of Beloit and have been a consultant to Wisconsin public employers since 1975.

Brian Ronk, Senior Consultant, would assist with survey market analysis. Brian is an expert in Market Analysis and has conducted hundreds of market studies and analysis in both the private and public sectors. Brian holds a Master's degree in labor relations from the University of Wisconsin-Madison. Brian has worked with us for over twelve years.

We are experts in survey design and analysis. In the mid-1990's, our predecessor firms, Carlson Dettmann Associates and Survey Research Associates (subsequently re-named **enetricx**) pioneered online salary surveys and designed and managed the statewide survey sponsored by Wisconsin public employers. I was CEO of both firms. We sold the entire **enetricx** firm to Gallup, Inc. in 2008, and the partners supported Gallup's transition of the survey and technology sides of our business for two years. In 2010, Carlson and Dettmann re-acquired their human resource consulting practices and re-established Carlson Dettmann Consulting, LLC.

In Central Wisconsin, we conducted a benchmark survey project in 2012 for the a consortium of public employers, including Portage County, City of Marshfield, City of Wausau, Marathon County, Wood County, Mid State Technical College, and Waupaca County. The City of Stevens Point provided its data as a survey response.

In Central Wisconsin, we have projects either adopted or under consideration in the following jurisdictions:

Waupaca County – Uniform pay plan covering all employees (except sworn represented) adopted. Plan is step system to range maximum for most employees; combination steps to control point with pay-for-performance for department heads and nursing home. Contact: Amanda Welch (715.258.6211).

Wood County – Uniform pay plan covering all employees (except sworn represented) before County Board. Plan is combination step system to control point with pay-for-performance to range maximum. Contact: Ed Reed (715.421.8805).

City of Marshfield – Uniform pay plan covering all employees (except sworn represented) to be presented to the City Council in February 2013. Plan is combination step system to control point with pay-for-performance to range maximum. Contact: Lara Baehr (715.387.6597).

Wisconsin cities that have adopted our pay plans over the past two years include:

City of Oshkosh – Uniform pay plan covering all employees (except sworn represented) adopted. Plan is combination step system to control point with pay-for-performance to range maximum. Contact: John Fitzpatrick (920.236.5112).

City of Fond du Lac – Uniform pay plan covering all employees (except sworn represented) adopted. Plan is a step system to range maximum. Contact: Deborah Hoffman (920.322.3625).

City of River Falls – Uniform pay plan covering all employees. Plan is combination step system to control point with pay-for-performance to range maximum. Contact: Scot Simpson (715.426.3402).

We currently have Wisconsin city projects underway in the cities of Wauwatosa, Watertown, Oconomowoc, Jefferson, and De Pere, and county projects just commencing in Douglas and Oconto counties. The Village of Weston just retained our services, as well. For your information, we also provide on-going pay plan maintenance services to Portage County.

Project Timetable

We would complete these tasks by implementing the following detailed work plan. The following timetable is suggested for this project:

<u>Task</u>	<u>Anticipated Completion</u>
Initial meeting with City Leadership/Council	Week 1
Project Orientation/Initial On-Site Meeting	Week 2
Initial Meetings re Performance Management	Week 3
Completion of JDQ's	Week 7
Job Evaluations	Week 10
Market Survey and Analysis	Week 10
Review of Results & Fringe Benefit Discussions	Week 12
Draft Report	Week 14
Review/Discussions with City Leadership	Week 15
Presentation of Final Report	Week 16
Presentation to City Council for Adoption	As required by the City
Appeals Process	Following adoption

Costs

If the City retains us to conduct job documentation, evaluation, and pay plan development for all positions covered by RFP, our fee for a project of this scope would be \$25,900. However, because of our prior experience with the City and our previous market work in Central Wisconsin, we can offer options as follows:

- Market pricing for benchmarks \$10,000
- Job evaluation of management positions \$250 per job
- Job evaluation of 31 hourly positions \$7,750

We are offering these options because the City has documentation of the management positions and some positions may not have changed since the 2007 study. The City could review the documentation and decide which positions we should re-evaluate on a selective basis. For example, if the City decided 20 of the 43 management jobs changed significantly and 23 did not, then we would evaluate 20 jobs for a fee of \$5,000, and the total project fee would be \$22,500.

Pay plan design and presentation of findings to the City Council would be included with whichever fee approach the City prefers, including on-site department head interviews and up to three meetings with the City Council or its committee responsible for human resources.

The City also would be responsible for reimbursement for travel expenses, including meals and lodging and mileage reimbursement at the IRS approved rate. The project fee would be paid in five equal monthly installments.

We are prepared to commence work by June 1. This proposal will remain in effect until July 1, 2013.

Respectfully submitted on April 8, 2013,



Charles E. Carlson, Partner