



**CITY OF NEWPORT
COUNCIL WORKSHOP MEETING
NEWPORT CITY HALL
FEBRUARY 19, 2015
IMMEDIATELY FOLLOWING THE REGULAR CITY COUNCIL MEETING**

MAYOR: Tim Geraghty
COUNCIL: Tom Ingemann
Bill Sumner
Tracy Rahm
Dan Lund

City Administrator: Deb Hill
Supt. of Public Works: Bruce Hanson
Chief of Police: Curt Montgomery
Fire Chief: Steven Wiley
Executive Analyst: Renee Eisenbeisz

AGENDA

1. ROLL CALL
2. DISCUSSION REGARDING PAY STUDY
3. DISCUSSION REGARDING STRATEGIC PLAN
4. DISCUSSION REGARDING SOLID WASTE MANAGEMENT ORDINANCE AMENDMENTS
5. ADJOURNMENT



MEMO

TO: Newport City Council

FROM: Deb Hill, City Administrator

DATE: December 18, 2014

SUBJECT: Pay Study

Background:

During the last rounds of contract negotiations, there was discussion of how we compare to other communities when it comes to compensation, longevity and steps – this discussion did not take into account other benefits our employees have. In reviewing some job descriptions and pay steps that are currently in place, it was noted that some job descriptions have not been updated for some time - this includes the City Administrator (1987), Public Works Superintendent (2001), and the Chief of Police (2009). The organization of city staff has also changed greatly in the past few years along with different demands of education and training. During the hiring process of the current Accountant, it was noted that we would have found it virtually impossible to hire someone in the first three pay scale steps. The City of Newport has not had a pay study conducted for at least 25 years, if at all.

Discussion:

Staff was directed to look into having a pay study done. Inquiries were made on recommendations of organizations that provide this service. Springsted Inc. came up continuously. In meeting with their staff, Springsted would deliver updates and reviews to our department structure and compensation issues that affect recruitment and retention of quality employees. A few of the deliverables include:

1. Update position (job) descriptions: This is most beneficial as licensing, certifications, and special trainings change as state and federal rules and regulations change. Compliances with the Americans with Disabilities Act and the Federal Fair Labor Standards Act will be reviewed. Essential functions and minimum requirements will be defined.
2. Market Survey: We will know how we compare to other communities not just in salaries, but benefits as well. This will be greatly beneficial to future recruitments and contract negotiations.
3. Pay Plan: Pay steps vary greatly throughout the city organization without any real rhyme or reason. A sound pay plan would ensure we stay competitive in the market and at the same time meet our financial requirements.

Recommendation:

Once a pay study is completed (it will take up to 5 months to complete), current staff will be able to make adjustments as needed. We would also have the ability to have Springsted evaluate or re-evaluate any future positions or changes to a position for a fee of \$250 per position. Staff recommends that a pay study be conducted by Springsted for the amount of \$8000.

City of Newport, Minnesota
Work Plan - Classification and Compensation Study
December 10, 2014

Introduction

Springsted is one of the most established independent public sector advisory firms in the United States. For nearly 60 years, we have continually grown in the range of our local government relationships, the comprehensiveness of our services and our prominence within the industry. Our managed growth is focused on providing local governments with a balance of national perspective and local expertise.

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 70 staff members. 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, Dallas, Texas and Los Angeles, California.

Contact Information and Brief Bios

Springsted Incorporated

Ms. Sharon Klumpp, *Senior Vice President and Consultant*

380 Jackson Street, Suite 300

Saint Paul, Minnesota 55101

651-223-3053 Office

651-270-6856 Cell

sklumpp@springsted.com

Ms. Sharon Klumpp specializes in organizational and management consulting for public agencies. Ms. Klumpp has extensive government experience, having served as an Executive Director of the Metropolitan Council – the seven-county regional planning agency for the Twin Cities metropolitan area of Minnesota, as the Associate Executive Director for the League of Minnesota Cities, as a City Administrator and as an Assistant City Manager. Her private sector experience includes serving as the chief administrative officer for the Minneapolis office of a major global engineering and design firm. Ms. Klumpp also served as an adjunct instructor at Walden University, where she taught public administration and organizational change in the University's School of Management. She holds a master's in public administration from the University of Kansas and a bachelor's degree in political science from Miami University of Ohio.

Ms. Julie Urell, *SPHR, Senior Project Manager and Consultant*

380 Jackson Street, Suite 300

Saint Paul, Minnesota 55101

651-223-3041 Office

jurell@springsted.com

Ms. Julie Urell is a human resources leader with over 20 years in the field, most recently in senior manager, director and consulting human resources roles for regional non-profit, as well as global organizations. In these capacities, she has applied both tactical and strategic insight across a variety of human resources functions. Areas of interest and specialization include employment practices and benefit/retirement plan compliance, human resource systems optimization and deployment, classification and compensation and business process efficiencies. Ms. Urell holds a master of business administration degree from the University of St. Thomas, and a bachelor's degree in human resources management from the University of Iowa.

Ms. Urell also serves as Director-At-Large/Website for Leading Edge Human Resources Network (LEHRN) and is certified as a Senior Professional, Human Resources with the Society for Human Resource Management. Since joining Springsted in 2012, she has provided project and consulting services for clients in Minnesota, Kansas, Wisconsin, Illinois, North Dakota, North Carolina, Virginia and Missouri.

Outcomes

The outcome of the study includes the following items:

- **A comprehensive classification and compensation study.** The study is anticipated to include:
 - Data collection utilizing Position Analysis Questionnaires for all positions included in the study;
 - Preliminary classification and position description development;
 - A market study and salary survey using up to ten Newport benchmark agencies and organizations;
 - Job evaluation for compliance with state law if applicable;
 - Pay plan development, implementation and related training;
 - A final report of all findings.

Approach

In conducting a comprehensive classification and compensation study the typical approach Springsted uses to prepare and update an organizations plan is described below. We can customize this process to meet the specific needs of your organization.

1. Project Initiation

Springsted meets with the organization's project manager and other appropriate personnel to discuss study methodology and timetable. The existing classification and compensation plan is discussed and reviewed, noting major issues the organization would like the study to address. Springsted also meets individually with department heads to obtain information regarding department structure, classification and compensation issues that may be affecting department operations, including recruitment and retention issues.

2. Data Collection

Springsted conducts employee informational meetings to introduce the study, explain study procedures and answer any questions employees may have about the process. Multiple meetings may be conducted to ensure that all employees have the opportunity to attend and so as to not disrupt the operations of the organization. Springsted will distribute a Position Analysis Questionnaire (PAQ) to employees at these meetings. The questionnaire will collect information from each employee on their job duties, responsibilities, essential functions, and other job-related factors that affect the position. Employees will also identify specific physical requirements and working conditions of their position to assist in the consultant's review for compliance with the Americans with Disabilities Act. The information gathered from the PAQs will provide the information to be used in developing new position descriptions, evaluating jobs, and creating a survey instrument to gather wage data from comparable organizations. After reviewing the completed PAQs, Springsted may, at our discretion, conduct individual job audit(s) with employees in positions requiring clarification of information outlined in the PAQ.

3. Preliminary Classifications and Position Descriptions

Springsted will use the information collected from the PAQs to prepare preliminary class and position descriptions and a preliminary assignment of employees to appropriate job classes based on a review of job duties and responsibilities, knowledge, skills and abilities, and minimum education and experience requirements.

Position descriptions will be prepared defining the essential functions and minimum requirements. Special attention is given to ensure that bona fide occupational qualifications, registrations, licensing, certification and special training, if dictated by standards of practice and/or job requirements, are included as minimum qualifications. These descriptions

will also identify the essential functions customarily performed by employees assigned to each position, physical requirements and working conditions in compliance with the Americans with Disabilities Act. At this time we also review each position's designation (exempt v. non- exempt) under the Federal Fair Labor Standards Act.

Preliminary position descriptions are submitted to the appropriate employee and department head for review and comment. Springsted will modify the position descriptions as deemed appropriate. Final classification decisions will be made after all comments have been reviewed.

4. Market Survey

Springsted will conduct a comprehensive salary and benefits (if required) survey to compare your organizations positions with analogous positions in other comparable agencies in the area labor market. Potential survey participants should be comparable to the organization, relates to those organizations with which your organization competes for employees, and represents the appropriate labor market. External market comparisons for positions is based on similar organizational structure, population, geographic location, job responsibilities, scope of authority, financial, socio-economic, growth, and other relevant factors. There can be different labor markets for positions, some are recruited from the local area, while others are recruited regionally or nationally.

The study team will identify appropriate sources for the survey data in consultation with the organizations project manager, and other relevant staff. Springsted will prepare a salary and benefits (if required) survey instrument covering a cross-section of trades, administrative support, public safety, technical, administrative, professional, managerial, and executive positions related to the organization.

5. Job Evaluation

While salary survey data will assist in determining an organizations position in the competitive market, job evaluation is the mechanism that ensures that internal pay relationships are equitable, and in Minnesota, ensures compliance with the Local Government Pay Equity Act. 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 created specifically for use in local government and designed to measure job factors which apply specifically to local government.

The system rates and ranks jobs based on various skill levels which include various levels of trades positions, administrative support, human support, technical, administrative, protective services, professional and executive levels and nine work factors, which include:

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

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 classes, and minimizes the appearance of favoritism in evaluating, rating and ranking jobs.

6. Development of a Pay Plan and Implementation Strategy

Developing a compensation plan typically draws substantially from market data in conjunction with the job evaluation results for each position. Springsted will assign each position, or group of positions, to an appropriate salary grade based on the classification system and prevailing rates paid by survey participants. The compensation plan is developed to reflect information obtained from the organization regarding its pay philosophy as well as goals and objectives established for its compensation program. Springsted will propose a compensation plan and implementation options which will ensure that the organization remains competitive with the labor market, and meets

the financial and budgetary requirements of the organization. Cost estimates of the implementation option(s) will be provided.

7. Staff Training

At the conclusion of the study, Springsted will conduct staff training in the methodology used to develop, maintain and update all aspects of the compensation and classification plan, and how to determine the validity of requests for reclassification. The training program will include the development and/or revision of class descriptions along with rating, ranking and salary grade assignments of positions. Instruction manuals pertaining to the job evaluation system will be provided. Springsted will remain available to the staff for additional consultation after the study has been completed.

Springsted also has available for purchase, the database utilized to develop and maintain position descriptions, track changes and evaluate/re-evaluate positions.

8. Final Report

The final report includes:

- A detailed study methodology
- Discussion of the consulting team's findings, conclusions and recommendations regarding proposed changes in job descriptions, salary structure, compensation philosophy, pay and compensation mechanisms, estimated cost and implementation plan
- List of positions and the assignment of each class to a salary grade
- Identification of positions that are exempt from FLSA overtime requirements
- Salary and benefits survey results
- Job evaluation factor analysis for each position
- Status under the State of Minnesota Local Government Pay Equity Act (if applicable)

Springsted staff will meet with designated officials to present and explain the findings outlined in the final report. Copies of study documents will be provided in electronic form.

9. Post Contract Maintenance

Springsted can provide on-going assistance to clients after completion of a classification and compensation study. Post-contract maintenance services include assisting the organization with development of new position 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 organization.

Fee Schedule and Timeline

Springsted takes pride in meeting its time commitments. The schedule to commence this project 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 Newport. Springsted is prepared to initiate the study within three weeks of notification to proceed, and will complete the study within five (5) months or according to the schedule outlined by the City.

There are factors which impact meeting the schedule which are beyond the consulting team's control. The proposed time frame is contingent upon a timely decision, the receipt of the data from the participants when requested and the timely receipt of feedback and comments on the submitted preliminary data.

Springsted Incorporated will perform all the tasks delineated as described in this proposal for a professional fee of \$8,000. The professional fee includes three (3) part-time positions and ten (10) full time job classifications; up to

three on-site meetings in the City of Newport, two rounds of position description revisions and three implementation options. The professional fee assumes all project-related information (including job description changes) will be provided to Springsted utilizing Word document format, or the electronic templates and forms we will provide. Springsted will bill the City for out-of-pocket expenses such as travel/mileage, copying, etc. in an amount not-to-exceed \$300.

Future reviews of positions for evaluation or re-evaluation would be available for a fee of \$250 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.

Springsted will invoice the City of Newport for work completed based on the following schedule:

Time of Invoice	Percentage Invoiced	Cumulative Percentage Invoiced
Completion of Project Initiation (or Employee Orientation)	25%	25%
Completion of Position Analysis Questionnaires	25%	50%
Completion of Draft Report	40%	90%
Completion of Final Report	10%	100%

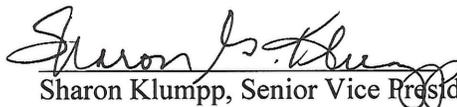
For the City of Newport, we will provide additional services requested at an hourly rate of \$215, subject to written agreement with the City on the additional services to be provided. Additional implementation plans will be billed at a cost of \$500/plan.

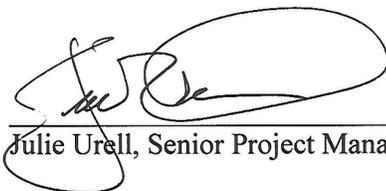
Additional work includes work outside the agreed-upon scope of services including, but not limited to:

- Additional position class descriptions and/or revision exchanges
- Additional on-site meetings
- Work related to a special request

We are happy to answer any questions you have about our proposal and look forward to working with the City of Newport and its employees on this important project.

Respectfully submitted,


Sharon Klumpp, Senior Vice President


Julie Urell, Senior Project Manager

RESOLUTION 92-9

RESOLUTION TO APPROVE THE CITY OF NEWPORT
PAY EQUITY IMPLEMENTATION REPORT PREPARED BY A NEWPORT EMPLOYEE
COMMITTEE AND TO ESTABLISH AND APPROVE THE EQUITABLE WAGES
SHOWN EFFECTIVE JANUARY 29, 1992

WHEREAS, the Newport City Council hereby recognizes that the Newport City Employee Comparable Worth Committee has done an evaluation of the City positions of Senior Secretary, Clerk-Typist, and Code Enforcement Officer for purposes of comparable worth, and,

WHEREAS, the evaluation was based on the existing DCA Stanton Report and based on that evaluation it was determined that there is discrepancy in the position of Senior Secretary, and,

WHEREAS, upon the finding of the discrepancy, the City of Newport City Council has unanimously determined to take immediate action to rectify the discrepancy that was found in the Comparable Worth Study of January 29, 1992,

WHEREAS, the Newport City Council has previously taken action to establish equitable wages as shown in the Pay Equity Implementation Report.

NOW, THEREFORE BE IT RESOLVED:

1. That the Newport Mayor is hereby authorized to execute the Pay Equity Implementation Report as presented.
2. That the City Administrator post an official notice informing employees that the Newport Pay Equity Implementation Report has been filed and is available to employees upon request.

3. That the City Administrator send a copy of the Newport Pay Equity Implementation Report to each exclusive representative of the Public Works and Police Departments.
4. That the City Administrator provide the Newport Library with a copy of said Newport Pay Equity Implementation Report.
5. That the City Administrator send said Newport Pay Equity Implementation Report to the Minnesota Department of Employee Relations along with a cover letter explaining the previous adoption of Resolution 92-8 which corrected all discrepancies immediately upon discovery.

Adopted by the Newport City Council on the 12th day of February, 1992.

MOTION by LOVELAND.

SECOND by BURGOYNE.

Voted:	Fritsch	<u>AYE</u>
	Burgoyne	<u>AYE</u>
	Geraghty	<u>AYE</u>
	Loveland	<u>AYE</u>
	Marko	<u>AYE</u>

Signed: Gerald Fritsch
Gerald Fritsch, Mayor

ATTEST: Gary C. Patterson
Gary C. Patterson, City Administrator

CITY OF NEWPORT
SPECIAL CITY COUNCIL MEETING
FEBRUARY 12, 1992
6:00 P.M.
MINUTES

1. Call To Order

Mayor Fritsch called the special meeting to order at 6:01 P.M.

2. Roll Call Present: Basil Loveland, Sharon Marko,
Jeff Burgoyne, Tim Geraghty, and
Jerry Fritsch.

Staff Present: Gary Patterson, City
Administrator and Fritz
Knaak, City Attorney.

3. Mayor stated purpose of the meeting was to discuss the findings of the recently updated comparable worth plan for the City of Newport.

City Attorney, Knaak discussed the Comparable Worth Law at length and the requirements that the Law imposed on the City of Newport.

The Council discussion centered around the fact that the original Pay Equity Plan completed in 1987 was done properly and was approved at that time by the City Council.

The Council unanimously agreed regarding the following facts:

- a. The DCA Stanton Comparable Plan System is good.
- b. The four member employee committee that reevaluated the Comparable Worth Plan was made up properly and did a good job.
- c. The findings of the committee were valid.
- d. A discrepancy exists in the evaluation of the three job descriptions.
- e. The City Council will rectify the discrepancy.

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The Council discussed that the above facts summarizes the preceding Council discussion regarding the situation at hand.

The Council further agreed that they will develop and adopt at a later date, a policy stating that when job descriptions are changed or created and prior to final approval, the job description will be evaluated for comparable worth status. It was suggested that the policy be made a part of the Council policies.

Motion by Fritsch, seconded by Marko to adopt Resolution Number 92-8, "Resolution Recognizing the Evaluation of the Positions of Senior Secretary, Clerk-Typist and Code Enforcement Officer With Regard To The Inclusion In The City of Newport Pay Equity Implementation Plan and Taking Action to Correct Discrepancy Found". Ayes 5, Nays 0. Motion Carried.

Motion by Loveland, seconded by Burgoyne to adopt Resolution Number 92-9, "Resolution To Approve the City Of Newport Pay Equity Implementation Report Prepared By a Newport Employee committee and To Establish and Approve The Equitable Wages Shown Effective January 29, 1992. Ayes 5, Nays 0. Motion Carried.

Motion Burgoyne, second by Loveland to adjourn special City Council Meeting at 8:20 P.M. Ayes 5, Nays 0. Motion Carried.

Respectfully submitted,


Gary C. Patterson
City Administrator



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: Newport City Council
Deb Hill, City Administrator

FROM: Sharon Klumpp
Julie Urell

DATE: January 20, 2015

SUBJECT: Classification and Compensation Study Work Plan

Thank you for the opportunity to provide information on Springsted's work plan to conduct a classification and compensation plan for the City of Newport. As requested, we are providing you with a redacted report completed for a Minnesota city of similar size and representative job descriptions prepared during the study.

As you know, we provided a work plan to the City at the request of the City Administrator. It has been over 25 years since the City has conducted a classification and compensation study. We recommend that employers conduct classification and compensation studies on average every five to seven years to ensure that public employers stay abreast of their recognized labor market and internal equity exists among the City's positions.

We understand that the City has recently submitted its pay equity report to the Minnesota Department of Management and Budget. The number and gender distribution of the City's job classes is not large enough to generate a statistical score to assure the City that it will be found in compliance. We do however note that all three of the City's female job classes are shown on the report as being below predicted pay, leading to the possibility that the City may not be found in compliance. If the City receives a notice of noncompliance later this year, it will have the opportunity to come into compliance.

In the event that the City is found in noncompliance, there are two options for coming into compliance. The first is to implement a pay plan that meets the dual objectives of being competitive within the City's recognized market and establishing equitable relationships among all job classes regardless of gender. Equitable relationships are determined by the pay grades to which positions are assigned. The pay plan gives the City the advantage of developing a framework for its decisions about employee compensation. The disadvantage is the initial expense of conducting the study to generate the plan. In addition, the City's small number of job classes means that it will be

especially susceptible to shifts in the gender status of its job classes which could affect overall pay equity compliance.

The second option is to increase the salaries of employees, without the guidance of a pay plan, as needed to be found in compliance. Internal equity will be based on the reports of the pay equity software which compares the pay of female dominated job classes with those of male or balanced job classes. Under this option, pay will not be determined in a systematic way that a compensation plan provides.

If the City wants to proceed with a classification and compensation study, we believe that it is important for the City Council to solidly back the decision to go in this direction. We appreciate that the City has options to move forward now or to wait until the City receives notification of its pay equity status. Please note that if the City is found not to be in compliance, it will likely not be possible to initiate and complete a classification and compensation study to guide the City's actions to come into compliance as the length of time to complete a study is generally about five months.

Accountant

Dept/Div: Administration

FLSA Status: Non-Exempt

General Definition of Work

Performs intermediate administrative work managing accounting and financial data for the City, composing, reviewing, reconciling and submitting related records and reports, and related work as apparent or assigned. Work is performed under the limited supervision of the City Administrator/Clerk.

Qualification Requirements

To perform this job successfully, an individual must be able to perform each essential function satisfactorily. The requirements listed below are representative of the knowledge, skill, and/or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Essential Functions

Verifies timesheet accuracy; inputs data and processes payroll; composes and submits related reports.
Obtains department supervisor approval, codes and processes vendor checks; maintains vendor files.
Prepares bank reconciliations; monitors bank accounts for activity.
Analyzes investment statements; determines interest on investments.
Compiles data; completes necessary spreadsheets and journal entries for the audit.
Assists with preparing related budgets.
Tracks various project expenses; prepares developer involves for re-billable expenses.
Prepares regular or requested financial reports.
Monitors loan and bond payment due dates; processes payments accordingly.
Posts incoming assessment payments, pre-payments, cash receipts, ACH payments and wires to appropriate revenue accounts.
Maintains the chart of accounts.
Reviews and reconciles insurance statements.
Prepares contracts for services.
Maintains City asset files and records.
Prepares journal entries.
Completes various regular and requested financial reports; submits data to outside agencies as necessary.
Acts as a back-up for duties relating to customer service (phone, service desk and so on).

Knowledge, Skills and Abilities

Thorough knowledge of municipal procedures; thorough knowledge of accounting and finance procedures and policies; general knowledge of municipal personnel management policies, processes and procedures; thorough skill operating standard office equipment and related hardware and software; thorough skill providing customer service; general skill operating standard accounting software; ability to learn specialized hardware and software based on business needs; ability to generate related records, reports and files; ability to communicate effectively orally and in writing; ability to establish and maintain effective working relationships with staff, outside agencies and the public.

Education and Experience

Associates/Technical degree and moderate experience in accounting, or equivalent combination of education and experience.

Accountant

Dept/Div: *Administration*

FLSA Status: *Non-Exempt*

Physical Requirements

This work requires the regular exertion of up to 10 pounds of force and occasional exertion of up to 25 pounds of force; work regularly requires sitting, speaking or hearing, using hands to finger, handle or feel, reaching with hands and arms and repetitive motions and occasionally requires standing, walking, stooping, kneeling, crouching or crawling, pushing or pulling and lifting; work has standard vision requirements; vocal communication is required for expressing or exchanging ideas by means of the spoken word; hearing is required to perceive information at normal spoken word levels; work requires preparing and analyzing written or computer data, operating machines and observing general surroundings and activities; work has no exposure to environmental conditions; work is generally in a moderately noisy location (e.g. business office, light traffic).

Special Requirements

Applicable position, department, organization and professional training will be provided.

Last Revised: 9/3/2013

City Administrator/Clerk

Dept/Div: Administration

FLSA Status: Exempt

General Definition of Work

Performs complex executive work overseeing the daily operations of the City, and related work as apparent or assigned. Work is performed under the limited supervision of the City Council. Organizational supervision is exercised over all personnel within the organization.

Qualification Requirements

To perform this job successfully, an individual must be able to perform each essential function satisfactorily. The requirements listed below are representative of the knowledge, skill, and/or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Essential Functions

Coordinates work as required/requested by the City Council.

Communicates information related to City business with the City Council, staff, residents, and others as necessary.

Directly supervises department head level and administration staff and operations of the city offices; trains, evaluates, plans and enforces work flow and work standards and carries out disciplinary actions of staff.

Oversees the fiscal and administrative procedures for the City.

Provides administrative and fiscal oversight to other city departments and related agencies; assists departments with creating and carrying out budgets.

Prepares and maintains personnel records; carries out human resources functions for staff.

Prepares for, attends and facilitates various meetings and trainings.

Assists with preparing and implementing Council directives, ordinances, policies and resolutions.

Provides and delegates the statutory duties of the City Clerk.

Provides oversight on special project and developments.

Knowledge, Skills and Abilities

Comprehensive knowledge of the principles, methods and practices of municipal administration; comprehensive knowledge of applicable human resources laws, policies, procedures and guidelines; thorough knowledge of city billing policies and procedures; thorough knowledge of business English and spelling; general knowledge of arithmetic; general knowledge of the principles underlying the laws, ordinances and regulations governing the operations of a public office; general knowledge of modern business management and office practices; general knowledge of data practices; general skill operating standard office equipment and related hardware and software; general skill operating standard tools of the trade; general skill learning specialized software, equipment or tools based on department or organization need; general skill supervising others; ability to read and understand basic local and state policies and procedures of limited scope and difficulty; ability to type accurately at a reasonable rate of speed; ability to operate standard office and computer equipment and perform word processing and/or data entry; ability to analyze and interpret fiscal and accounting data and to prepare appropriate statements and reports; ability to establish and maintain effective working relationships with elected officials, similar professionals, local media, associates and the general public.

Education and Experience

Bachelor's degree and moderate experience working in municipal government, or equivalent combination of education and experience. Master's degree preferred.

City Administrator/Clerk

Dept/Div: *Administration*

FLSA Status: *Exempt*

Physical Requirements

This work requires the occasional exertion of up to 25 pounds of force; work regularly requires sitting, speaking or hearing and using hands to finger, handle or feel, frequently requires repetitive motions and occasionally requires standing, walking, stooping, kneeling, crouching or crawling, reaching with hands and arms, pushing or pulling and lifting; work has standard vision requirements; vocal communication is required for expressing or exchanging ideas by means of the spoken word; hearing is required to perceive information at normal spoken word levels; work requires preparing and analyzing written or computer data, operating machines, operating motor vehicles or equipment and observing general surroundings and activities; work occasionally requires exposure to outdoor weather conditions; work is generally in a moderately noisy location (e.g. business office, light traffic).

Special Requirements

Applicable position, department, organization and professional training will be provided.
Valid driver's license in the State of Minnesota.

Last Revised: 9/3/2013

Public Services Superintendent

Dept/Div: *Public Services*

FLSA Status: *Exempt*

General Definition of Work

Performs difficult professional work overseeing the daily operations of the department, coordinating department functions and budget and supervision with the Public Services Utilities Superintendent, responding to emergency, on call and after hour requests, and related work as apparent or assigned. Work is performed under the general direction of the City Administrator/Clerk. Continuous supervision is exercised over Public Services Worker.

Qualification Requirements

To perform this job successfully, an individual must be able to perform each essential function satisfactorily. The requirements listed below are representative of the knowledge, skill, and/or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Essential Functions

Supervises and directs the staff and operations of public services department including water, wastewater, parks, streets, storm sewers, flood control levees, buildings, fleet vehicles and safety equipment.

Acts as a liaison to other public agencies overseeing the services listed above as well as other elected officials and professional associations.

Receives and analyzes bids for various city or utility projects.

Develops and monitors the department budget.

Reviews utility growth projections and associated costs.

Works with the MMUA safety directors to schedule safety and training programs for staff.

Prepares and supervises the processing of related records, reports and files.

Knowledge, Skills and Abilities

Thorough knowledge of municipal procedures; thorough knowledge of public works procedures and policies; thorough knowledge of the safety considerations involved in department operations; thorough skill operating standard office equipment and related hardware and software; thorough skill providing customer service; general skill operating standard accounting software; ability to learn specialized hardware and software based on business needs; ability to generate related records, reports and files; ability to supervise, direct and motivate others; ability to communicate effectively orally and in writing; ability to establish and maintain effective working relationships with staff, outside agencies and the public.

Education and Experience

High school diploma or GED and considerable experience working in public works, or equivalent combination of education and experience.

Public Services Superintendent

Dept/Div: *Public Services*

FLSA Status: *Exempt*

Physical Requirements

This work requires the regular exertion of up to 10 pounds of force, frequent exertion of up to 25 pounds of force and occasional exertion of up to 50 pounds of force; work regularly requires sitting and speaking or hearing, frequently requires standing, using hands to finger, handle or feel, reaching with hands and arms, pushing or pulling, lifting and repetitive motions and occasionally requires walking, climbing or balancing, stooping, kneeling, crouching or crawling and tasting or smelling; work has standard vision requirements; vocal communication is required for expressing or exchanging ideas by means of the spoken word and conveying detailed or important instructions to others accurately, loudly or quickly; hearing is required to perceive information at normal spoken word levels; work requires preparing and analyzing written or computer data, visual inspection involving small defects and/or small parts, using of measuring devices, assembly or fabrication of parts within arms length, operating machines, operating motor vehicles or equipment and observing general surroundings and activities; work regularly requires exposure to outdoor weather conditions, frequently requires working near moving mechanical parts and occasionally requires wet, humid conditions (non-weather), working in high, precarious places, exposure to fumes or airborne particles, exposure to toxic or caustic chemicals, exposure to the risk of electrical shock, exposure to vibration and wearing a self contained breathing apparatus; work is generally in a loud noise location (e.g. grounds maintenance, heavy traffic).

Special Requirements

Pesticide applicator license.

Applicable position, department, organization and professional training will be provided.

Valid driver's license in the State of Minnesota.

Last Revised: 9/3/2013

Final Report



Classification and Compensation Study

July 31, 2013

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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.

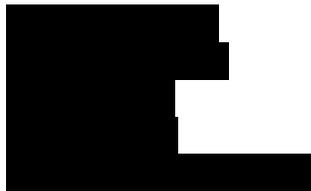


Springsted Incorporated
380 Jackson Street, Suite 300
Saint Paul, MN 55101-2887

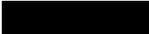
Tel: 651-223-3000
Fax: 651-223-3002
www.springsted.com

LETTER OF TRANSMITTAL

July 31, 2013



Re: **Classification and Compensation Final Report**

Dear 

Springsted Incorporated is pleased to provide the City of  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 develop job 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  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  and hope that we may be of assistance to you in the future.

Respectfully submitted,



Consultant

1. Introduction

The City of ██████ Minnesota, retained Springsted Incorporated to conduct a Classification and Compensation Study of the City's positions in the spring of 2013. 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 participation and input from City employees. Department heads were interviewed concerning the nature of their operations and discussed particular issues, if any, they were having with employee recruitment and retention. City employees supplied information about the work they perform and other factors applicable to their positions, by employees and their supervisors completing Position Analysis Questionnaires (PAQs) which provided information on essential duties and responsibilities and 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 an orientation meeting held in [REDACTED] of 2013, and submission of Position Analysis Questionnaires. Members of the Springsted team also met with City department heads to learn about the City's

operations and also provided an opportunity for department heads to explain specific concerns or any 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 in conjunction with the City, based on demographics and geographic proximity. Eleven public entities, listed below, were invited to participate in the survey:

- City of [REDACTED]

We were able to gather the information for all selected organizations, providing an excellent response rate of all of the identified regional organizations. Survey respondents were asked to provide information on only those City of [REDACTED] 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 [REDACTED]:

1. Springsted met with the City Administrator 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. The 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 provide information on the essential job duties and responsibilities, required education and experience and other required knowledge, skills and abilities and 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. Supervisors were directed not to change any employee provided information.
5. New job descriptions were developed for all positions based on employee and supervisor input and ensured that job descriptions accurately reflected the current functions, responsibilities and requirements of all City positions.
6. Information was gathered from the City on the current compensation structure, current bargaining unit contracts, current benefits, and existing job descriptions covering the positions included in the study.
7. 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.
8. 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.

9. Using the salary and benefits data supplied by comparable government organizations recommendations were created for modifications to the City's current compensation system.
10. 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 development of a new compensation system for the City of [REDACTED].

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 [REDACTED] are [REDACTED] 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
- Difficulties maintaining compliance with the State of Minnesota Local Government Pay Equity Act with the current compensation plan.

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 essential duties and responsibilities, 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).

We examined the PAQs 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

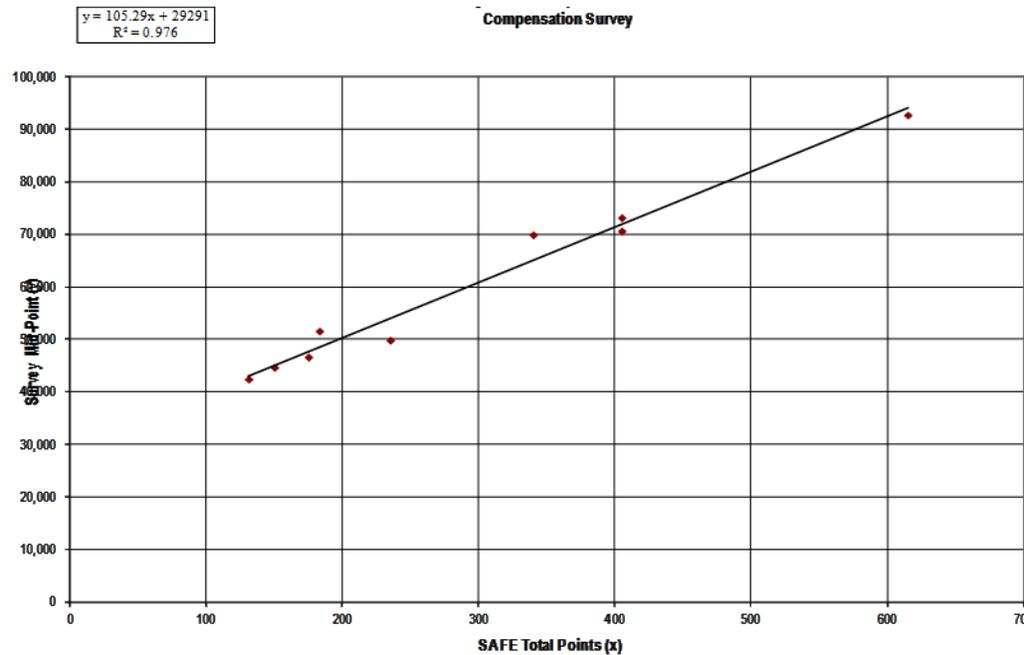
The process of developing a salary schedule draws substantially from market data. This data is obtained by conducting a survey of other comparable employers within the City's defined market. Respondents are asked to provide information about the structure of their pay plans, the minimum, maximum and 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 10 positions included in the survey, the information for 9 positions was used in analyzing the salary data. One position was not used in the overall analysis as there was either incomplete or inconsistent information provided by the responding organizations. Only 4 of the 10 positions currently have established salary ranges for their positions. A review of the salary ranges, for those positions with salary ranges indicates that the salary ranges for the majority of the City of [REDACTED] positions included in the survey are below those of comparable organizations. City of [REDACTED] minimum salaries are [REDACTED]% below the average which is considered to be consistent with the market, midpoint salaries are [REDACTED]% below the market average midpoints and the maximums of the salary ranges are [REDACTED]% below the average maximums reported by the survey participants. For the majority of City positions there is an established actual wage for incumbents rather than a maximum of the range.

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 [REDACTED] organizations that completed the fringe benefit portions of the survey [REDACTED] utilize a step system. The number of steps varied from [REDACTED], with an average of [REDACTED] steps. The percentage between steps varied from [REDACTED] percent, with an average of [REDACTED]% between steps. The number of grades in the pay plans averaged [REDACTED] with an average spread from minimum to maximum of [REDACTED]. The spread between grades ranges from [REDACTED] with an average of [REDACTED] 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 [REDACTED] pay grades with [REDACTED] 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 [REDACTED] steps with [REDACTED] between steps. The recommended compensation plan for the City of [REDACTED] can be found in Appendix II of this report.

Each position was then assigned to the appropriate salary grade in the salary schedule based on the job evaluation points of the position. 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 Administrator'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 [REDACTED] 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

Implementation of the proposed compensation plan is effective January 1, 2014. To estimate implementation costs we used current 2013 employee salaries supplied by the City for all departments.

Option 1

To implement the proposed wage schedule employees will move onto the scale based on the relationship of their current wage to the proposed range for their position. Of the City’s 14 employees, 3 employees or 21% 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 3 employees onto the proposed compensation plan is \$6,426.39, which is 0.85% of the City’s total payroll.

Option 1 - Move to Min					
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	14	\$ 754,873.60	\$ 761,299.99	\$ 6,426.39	0.85%
Employee Below Min	3	\$ 139,152.00	\$ 145,578.39	\$ 6,426.39	4.62%
Employee Within Range	11	\$ 615,721.60	\$ 615,721.60	\$ -	
Employee Above Max	0	\$ -	\$ -	\$ -	

Option 2

For those employees whose current wage falls within the proposed range for their position, employees will move onto the step closest to their current wage. For the City’s employees, 11 employees have a current wage which falls within the range for their current position. The annual cost to move these employees onto the wage schedule is \$7,028.04. The total annual cost for moving employees below the range to the minimum of the range and moving employees within range to the closest step is \$13,454.43, which is a 1.78% increase in the City’s total payroll.

Option 2 - Next Step					
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	14	\$ 754,873.60	\$ 768,328.03	\$ 13,454.43	1.78%
Employee Below Min	3	\$ 139,152.00	\$ 145,578.39	\$ 6,426.39	4.62%
Employee Within Range	11	\$ 615,721.60	\$ 622,749.64	\$ 7,028.04	1.14%
Employee Above Max	0	\$ -	\$ -	\$ -	

Option 3

The third option is to move employees onto the proposed wage schedule based on their years of service with the City of ██████, i.e. if an employee has been with the City for 7 years the employee would move to step 7 if

their current wage fell below the step 7 wage. The annual cost for this option is \$76,575.52, which is a 10.14% increase in the City’s payroll.

Option 3 - Yrs of Svc					
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	14	\$ 754,873.60	\$ 831,449.12	\$ 76,575.52	10.14%
Employee Below Min	3	\$ 139,152.00	\$ 160,430.63	\$ 21,278.63	15.29%
Employee Within Range	11	\$ 615,721.60	\$ 671,018.49	\$ 55,296.89	8.98%
Employee Above Max	0	\$ -	\$ -	\$ -	

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 [redacted] days per year, with an average of [redacted] holidays, [redacted] of the organizations also offered floating holidays, with an average of [redacted] floating holiday. The City of [redacted] provides [redacted] days of

holiday leave but [REDACTED] floating holidays, which is slightly [REDACTED] the average of that provided by the survey participants.

- [REDACTED] of the organizations provide traditional vacation and sick leave plans [REDACTED] provide paid time off in lieu of vacation and sick leave. The City of [REDACTED] provides [REDACTED] Paid time off leave schedules vary with organizations providing [REDACTED] days of leave during the first year of employment with an average of [REDACTED] days, [REDACTED] days of leave for employees with [REDACTED] years of service with an average leave of [REDACTED] days. After [REDACTED] years of service, employees receive [REDACTED] days of paid time off with the average leave of [REDACTED] days. After [REDACTED] years of service, employees receive [REDACTED] days of annual leave with an average of [REDACTED] days. After [REDACTED] years of service, employees receive [REDACTED] days of leave with an average of [REDACTED] days. Once employees achieve [REDACTED] years or more of service, paid time off ranges from [REDACTED] days with an average of [REDACTED] days. The City of [REDACTED] provides [REDACTED] days in years [REDACTED] days in years [REDACTED] days from years [REDACTED] and [REDACTED] days after [REDACTED] years of service. The City’s paid time off accumulation is slightly [REDACTED] the average with the exception of after [REDACTED] years of service in which the accumulation of paid time off is slightly [REDACTED] the average.

- [REDACTED] organizations offer medical insurance, [REDACTED] offered different levels of plans. The average monthly cost for single coverage is [REDACTED] with an average employer contribution [REDACTED] For employee plus dependent coverage, the average cost among survey participants was [REDACTED] with an average contribution of [REDACTED] Family insurance coverage had an average monthly cost of [REDACTED] with an average employer contribution of [REDACTED] City of [REDACTED] offers [REDACTED] health insurance plans. The cost for health insurance for single coverage is [REDACTED] the average and the City’s contribution is [REDACTED] the average. For family coverage, the City’s cost is [REDACTED] the average and the contribution level is consistent with the average.

- [REDACTED] organizations cover retirees in their medical insurance program, [REDACTED] provided [REDACTED] contribution towards that coverage. The City of [REDACTED] [REDACTED] employees under the City’s health insurance which is consistent with the practices of the survey participants.

[REDACTED] of the organizations provided dental insurance; the average cost for single coverage is [REDACTED] with an average employer contribution of [REDACTED] The average cost of family coverage [REDACTED], with an average employer contribution of [REDACTED] The City of [REDACTED] [REDACTED] dental insurance, the costs and the City contribution levels are [REDACTED]

- [REDACTED] of the organizations provided life insurance coverage. [REDACTED] of the organizations who responded offered [REDACTED] coverage, [REDACTED] paid for the coverage. [REDACTED] respondents offer long-term disability insurance, and [REDACTED] of those organizations paid for that coverage. The City of [REDACTED] [REDACTED] short-term or long-term disability coverage which is [REDACTED] with the practices of the participating organizations.

- [REDACTED] of the organizations surveyed provide a deferred compensation program; [REDACTED] provided a contribution towards that program. The City of [REDACTED] a deferred compensation program and [REDACTED] a contribution, which is [REDACTED] with the practices of the responding organizations.
- [REDACTED] of the respondents offered a Post Retirement Health Care Savings Plan, The City of [REDACTED] this benefit.

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

APPENDIX I
Market Survey Information

Market Survey Information

Position Surveyed	Number of Respondents	Average FTES	Average YOS	Weighted Avg Sal	Minimum Salary			Midpoint Salary		Maximum Salary		
					Lowest	Highest	Weighted	Lowest	Highest	Lowest	Highest	Weighted
DNU - did not use survey information												

Position Surveyed	Min			Mid			Max		
	Min	Diff	%	Mid	Diff	%	Max	Diff	%
DNU - did not use survey information									

APPENDIX II
Compensation Plan

APPENDIX III
Position Grade Assignment

Position Grade Assignment

Positions sorted by Department

Poir	Department	Division	Title	Grade	Proposed		
					1	5	9
235				9			
615				19			
183				8			
131				5			
150				6			
340				13			
258				10			
405				14			
405				14			
175				7			

Positions sorted by Grade

Poir	Department	Division	Title	Grade	Proposed		
					1	5	9
131				5			
150				6			
175				7			
183				8			
235				9			
258				10			
340				13			
405				14			
405				14			
615				19			

APPENDIX IV
Fringe Benefit Comparison

Fringe Benefit Comparison

	Least Reported	Most Reported	Average Reported	Client	
Multiple sets of fringe benefits?					
What groups are there?					
Which group was used to complete the questionnaire?					
Holidays (Days/Year)					
Floating Holidays					
Holiday on Regular Days Off					
Comp on Holidays Worked					
Time and a ½					
Double Time					
Double Time and a ½					
Other					
Annual Leave (Days/Year)					
Vacation/Sick or PTO					
Vacation - days or hours?					
6 months					
1 year					
2 years					
3 years					
4 years					
5 years					
6 years					
7 years					
8 years					
9 years					
10 years					
11 years					
12 years					
13 years					
14 years					
15 years					
16 years					
17 years					
18 years					
19 years					
20 years					
20+ years					
PTO - days or hours?					
6 months					✓
1 year					✓
2 years					✓
3 years					✓
4 years					✓
5 years	✓				
6 years	✓				
7 years	✓				
8 years	✓				
9 years	✓				
10 years	✓				
11 years	✓				
12 years	✓				
13 years	✓				
14 years	✓				
15 years	✓				
16 years	✓				
17 years	✓				
18 years	✓				
19 years	✓				
20 years	✓				
20+ years	✓				
Carried into Next Year					
Max Accumulation					
Comp after Max Accumulation					

Fringe Benefit Comparison

	Least Reported	Most Reported	Average Reported	Client
Sick Leave (Days/Year)				
Carried into Next Year				
Max. Accumulation				
Paid at Termination/Retirement				
Use for Medical Appointments				
Use for Dental Appointments				
Use for Family Illness				
Sick Leave Bank				
Pension and Retirement				
Other Than Social Security				
State Sponsored				
Employer Paid				
Employee Paid				
Death Benefit				
Life & Disability Insurance				
Life Insurance				
Employer Paid				
AD&D				
AD&D Double Indemnity				
Employer Paid				
Short Term Disability				
Employer Paid				
Long Term Disability				
Employer Paid				
Health Insurance				
FTE required to participate?				
Different Levels				
100% participation required				
Not participating				
Employee Only	\$.00
Employer Paid				
Employee Paid				
Annual Deductible	\$			
Standard Office Visit Co-pay	\$.00
Employee/Spouse	\$			
Employer Paid				
Employee Paid				
Annual Deductible	\$			
Standard Office Visit Co-pay	\$			
Employee/Child	\$			
Employer Paid				
Employee Paid				
Annual Deductible	\$			
Standard Office Visit Co-pay	\$			
Employee/Family	\$.00
Employer Paid				
Employee Paid				
Annual Deductible	\$			
Standard Office Visit Co-pay	\$.00
HEALTH INSURANCE TYPE 2 -				
Employee Only	\$			
Employer Paid				
Employee Paid				
Annual Deductible	\$			
Standard Office Visit Co-pay	\$			
Employee/Spouse	\$			
Employer Paid				
Employee Paid				
Annual Deductible	\$			
Standard Office Visit Co-pay	\$			
Employee/Child	\$			
Employer Paid				
Employee Paid				
Annual Deductible	\$			
Standard Office Visit Co-pay	\$			
Employee/Family	\$			
Employer Paid				
Employee Paid				
Annual Deductible	\$			
Standard Office Visit Co-pay	\$			

Fringe Benefit Comparison

	Least Reported	Most Reported	Average Reported	Client
Supplemental program for HDP?				
Type of Program				
Employer Paid				
Retirees				
Years of Service Required				
Employer Paid				
Dental Insurance				
Part of Health Plan				
Employee Only	\$			7
Employer Paid				
Employee/Family	\$			1
Employer Paid				
Vision Insurance				
Part of Health Plan				
Employee Only				
Employer Paid				
Employee/Family	\$			
Employer Paid				
Deferred Compensation				
Available to all Employees				
Type of Plan				
Employer Contribution				
Other Benefits Program				
Other Benefits				
Post Retirement Hlth Care Svcs				
Call Back Pay				
On Call/Stand By Pay				
Clothing Allowance				
Mgr/Administrator Compensation				
Included in Pay Plan				
Car or Vehicle Allowance				
Personal Allowance				
Accrues Leave Differently				
Retirement Plan Differ				
Additional Benefits				

Minnesota Pay Equity Management System - Newport(15-No Submission)

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Compliance Report

Jurisdiction: Newport

Report Year: 2015

Case:1 - Shared (Jur and MMB)

Contact:	Name	Title	Phone	Email
	Deb Hill	City Administrator	651-459-5677	dhill@newportmn.com
	Deb Schulz	Accountant	651-459-5677	dschulz@newportmn.com

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

For more detail on each test, refer to the guidebook.

I. GENERAL JOB CLASS INFORMATION

	Male Classes	Female Classes	Balanced Classes	All Job Classes
# Job Classes	5	3	0	8
# Employees	14	3	0	17
Avg.Max Monthly Pay Per Employee	5,622.34	5,303.75		5,566.12

II. STATISTICAL ANALYSIS TEST

A. UNDERPAYMENT RATIO = 60.00 * Male Classes	Female Classes
a. # at or above Predicted Pay	2
b. # Below Predicted Pay	3
c. TOTAL	5
d. % Below Predicted Pay (b divided by c = d)	60.00
	100.00

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

B. T-test Results

Degrees of Freedom (DF) = 15	Value of T = 0.717
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Minnesota Pay Equity Management System - Newport(15-No Submission)

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Compliance Report

Jurisdiction: Newport

Report Year: 2012

Case:1 - In Compliance

Contact:	Name	Title	Phone	Email
	Deb Hill	City Administrator	651-459-5677	dhill@newportmn.com
	Deb Schulz	Accountant	651-459-5677	dschulz@newportmn.com

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

For more detail on each test, refer to the guidebook.

I. GENERAL JOB CLASS INFORMATION

	Male Classes	Female Classes	Balanced Classes	All Job Classes
# Job Classes	6	2	0	8
# Employees	15	2	0	17
Avg.Max Monthly Pay Per Employee	5,492.67	3,912.00		5,306.71

II. STATISTICAL ANALYSIS TEST

A. UNDERPAYMENT RATIO = 50.00 * Male Classes	Female Classes
a. # at or above Predicted Pay	3
b. # Below Predicted Pay	3
c. TOTAL	6
d. % Below Predicted Pay (b divided by c = d)	50.00
	100.00

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

B. T-test Results

Degrees of Freedom (DF) = 15	Value of T = 0.841
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City of Newport, Minnesota Strategic Initiatives July 2014



OVERVIEW

City of Newport

Newport is primarily a residential community and its strength is the people who live within the City. Newport is a small river community with residential streets bordered by large trees, which wind their way along the river's edge and the bluff lands. Newport's small town persona is retained within its people and its physical environment even though it is within a 15 minute commute to St. Paul and Minneapolis. With a population of 3,435, Newport continues to encourage growth and development within the community.

Even with numerous strengths and assets, the City is faced with challenging issues and exciting opportunities. This policy and plan is to ensure these issues and opportunities addressed are in a timely, efficient and effective manner. The City seeks to create positive outcomes through a realistic and practical work plan. To that end, Newport is served by a strong vision and mission statement.

City Vision Statement

Newport is a historic city on the Mississippi River where small-town tradition is preserved. The City is known for a strong work ethic and self-reliance where a shared sense of community pride fosters active family neighborhoods, expanding business opportunities, and a healthy lifestyle for all to enjoy!

City Mission Statement

The City of Newport is committed to serving the people and businesses of Newport by creating an environment which encourages pride in the community, promotes prosperity for businesses and improves the quality of life for all.

The Session

The process was initiated by the City Council and organized and structured by the City Administrator. The process began with the facilitator contacting individual Council members to talk about their goals, outcomes and important topics for the agenda. This information was used to develop the work session agenda and discussion topics. (A copy of the handout used during the meeting is available in the City Administration office.)

The work session was held on March 4, 2014. The Mayor, City Council members, the City Administrator and three department leaders attended and participated in the meeting. The agenda topics included a wide-ranging discussion of specific issues including assets and strengths of the City, current challenges and future opportunities. The agenda was free-flowing and the discussion was inclusive and participatory. City officials stayed together in one group with informal conversation dominating the discussion. The City Administrator was encouraged to weigh in on her ideas, thoughts and expectations.



Achievements

The City Council is very proud of the work they accomplished since 2011 and noted a variety of achievements. Three major areas and specific achievements include work in infrastructure projects, land and property and operations and finance:

- **Infrastructure projects**
 - Street reconstruction work
 - I and I reduction projects
 - Installation of radio read water meters
- **Land and Property**
 - Construction of a gazebo at the school forest
 - Knauff Property Brownfield clean-up plan
 - Removal of A & W Building
 - Vacant building registration
 - North Ravine project
 - Purchasing Johnson Estate
 - Facade improvements
- **Operations and Finance**
 - Increase in bond rating to AA stable
 - Strengthen EDA fund
 - Long term financial planning for all government and utility funds
 - Work with neighboring cities: building inspection, street sweeping, etc.

Work Session Goals

The goals of the City Council – city staff work session were simple and straightforward. Based on input from elected officials and staff the following five goals were identified: 1) have open and honest discussions; 2) put ideas and opinions on the table; 3) identify and discuss important priorities; 4) address long standing challenges; and 5) develop a strategic direction.

City Assets and Strengths

Newport City Council and staff are proud of the community. City officials enjoy talking about their city and identified the following characteristics as major assets and strengths of the City and community:

- Historic community
- Proximity to amenities (*minutes from everywhere*)
- Strengthening financial position
- Country feel within a city
- Hidden gem; emerging presence
- Access, transportation and transit
- Safe and affordable



Strategic Planning

The primary objective of the City Council and staff was to establish a consensus-based direction for the City and then pursue implementation strategies to achieve that direction. In order to accomplish this outcome, an understanding of the value and purpose of strategic planning is essential. This is all the more important as both experience and perception reflect that strategic planning processes often do not meet expectations or *fail along the way*. The City of Newport does have experience in strategic planning and the prior documents were considered. Two fundamental distinctions between past experiences and this work are twofold: shorter time horizon and more streamlined expectations. It is important to note that strategic planning is fundamentally a tool to assist city leaders in reviewing where you have come from, where you are today and where you want to go in the future. This was a feature in the Council-staff discussion. The critical link is to connect plans with resources, time and the priorities of the City Council. By understanding the value and committing to implementation, city leaders ensure that their time and commitment will be purposeful, useful and successful.

During the strategic planning discussion the City identified clear and distinct challenges. The participants noted the following three major challenges facing the City: 1) resources and staff capacity; 2) image and perception of both the community (Old Newport) and the City (outdated City Hall); and 3) the critical need for economic growth (old and tired appearance). Council members talked about finding the balance between addressing immediate and long-term needs and the perception of Newport's high taxes. The following short-term goals will be pursued by the City Council and city staff.

Short Term Priorities

The City Council desires to adopt a set of short-term goals. These goals move “above and beyond” the day-to-day operations of the City and serve to move the City and community forward in an optimistic and progressive manner. While preserving the small town feel and historic charm of the City, the purpose of the short-term goals are to revitalize, restore and reinvigorate the city and greater Newport community. We plan to address the appearance and look of our City as well as the tangible assets such as roads and public facilities. The City will accomplish its goals through wise financial planning, progressive thinking, innovative solutions, deliberate risk-taking, and collaborative decision-making. The City is committed to effective planning to ensure that it will build a consensus for future direction. As stewards of the future, high expectations are set for ourselves, the citizens, and this special place we call the City of Newport, Minnesota.

Short Term Goals

The following six short-term goals are adopted by the City Council:

- Continue to strengthen our fiscal health
- Ensure successful development on the transit site
- Focus on business outreach, retention and development
- Analyze city facilities for long-term efficiency
- Explore new revenues
- Strengthen the personnel and HR capacity



Short Term Goals (2014-2016)

1.) *Continue to strengthen our fiscal health*

Action Steps	Assigned	Deadline
a. Actively monitor the budget and provide timely financial reports		
b. Beginning with the 2015 budget, link budget priorities with the strategic plan		
c. Explore partnerships and collaborations that may result in new revenues or cost savings		

2.) *Ensure successful development on the transit site*

Action Steps	Assigned	Deadline
a. Partner with the HRA and revisit the recent HRA studies related to the transit site		
b. Establish the rights to the MnDot property		
c. Explore using sidewalks on the transit site property		

3.) *Focus on business outreach, retention and development*

Action Steps	Assigned	Deadline
a. Meet with builders, developers and contractors to obtain input on existing regulations		
b. Develop a business outreach program		
c. Explore the feasibility of income producing activities like an electronic billboard		

4.) *Analyze city facilities for long term efficiency*

Action Steps	Assigned	Deadline
a. Conduct a feasibility study for a new City Hall		
b. Continue street infrastructure programs		
c. Maintain and improve city facilities		
d. Establish a fats, oils and grease ordinance		



5.) Explore new revenues

Action Steps	Assigned	Deadline
a. Continue dialogue to purchase the island (acquisition goal)		
b. When priorities are set; explore grant programs to support funding		
c. Pursue grants for Knauff Property Brownfield		

6.) Strengthen the personnel and HR capacity

Action Steps	Assigned	Deadline
a. Identify internal staff strengths and skill sets – develop training programs		
b. Explore technology needs within the City		
c. Council, staff and advisory committees participate in training programs and professional development		

Implementation

The strategic plan is designed to be a guide and roadmap for the City moving forward. A strategic plan is updated as needed, both informally and formally. The City Council encourages the City Administrator to ensure the plan is relevant and alive for current and future opportunities and to consider changing the meeting schedule to include more monthly workshops. It is prudent to officially update the plan on at least an annual basis as determined by the City Council in partnership with the staff. Implementation roles of the City Council include:

- Champion and take ownership in the plan
- Formally take action to adopt the plan
- Communicate with the public
- Include the plan in new Council orientation
- Ensure resources are allocated for action steps
- Identify accountability measures
- Periodically review the plan

The role of Administration in the implementation of the strategic plan includes the following key principles:

- Integrate information into work
- Communicate with staff
- Incorporate into the budget recommendations
- Provide regular informal updates
- Organize an annual formal review



MEMO

TO: Mayor and City Council
Deb Hill, City Administrator

FROM: Renee Eisenbeisz, Executive Analyst

DATE: February 11, 2015

SUBJECT: Solid Waste Management Ordinance Amendments

BACKGROUND

At the February 5 City Council meeting Councilman Lund requested that the City Council discuss amending the Solid Waste Management Ordinance to add regulations regarding billing and multi-year contracts.

DISCUSSION

The City Council will need to discuss if they would like to add regulations regarding billing and multi-year contracts. If so, staff will bring forward a draft ordinance for the regulations.

RECOMMENDATION

It is recommended that the City Council provide direction on this matter.