



CITY COUNCIL AGENDA

City of Brainerd, Minnesota
City Hall, 501 Laurel Street, Council Chambers
Monday, September 11, 2023 @ 6:00 PM

The public is invited to attend these meetings in person

1. **Call To Order**

2. **Roll Call**

___ M. O'Day ___ K. Stunek ___ K. Terry ___ T. Stenglein ___ G. Johnson ___ J. Czczok ___ K.
Bevans ___ Mayor Badeaux

3. **Discussion Items**

- A. **Presentation on Job Classification and Compensation Study Report from Flaherty & Hood, P.A.**

4. **Adjourn**

- A. **Closed Labor Negotiation Strategy Session pursuant to MN Statutes, 13D.03, Subd 1(b) to prepare for Negotiations with the IBEW Local No. 31 Unions**

Visit the City's Website at www.ci.brainerd.mn.us

MISSION

"Provide high quality, cost effective public services and leadership in creating a sustainable city"



City Council Agenda Request

MEETING DATE: September 11, 2023

TITLE OF ITEM: Presentation on Job Classification and Compensation Study Report from Flaherty & Hood, P.A.

AGENDA: Main

ACTION REQUESTED: Discussion Item

SUBMITTED BY: Kris Schubert, Human Resources
Director

DEPARTMENT: HR

PRESENTER: Kris Schubert, Human Resources
Director

ESTIMATED TIME (MIN): 20 Minutes

SUMMARY OF ISSUE: On October 17, 2022, the City Council accepted Flaherty & Hood's Classification and Compensation Study Proposal. The Flaherty & Hood team will attend the September 11th Work Session to present and discuss their Job Classification and Compensation Study Report.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:

RECOMMENDED ACTION/MOTION:

FINANCIAL IMPACT:

City of Brainerd Job Classification and Compensation Study

Presentation on Report
September 11, 2023

Flaherty & Hood, P.A.



Brandon Fitzsimmons – Attorney & Shareholder



Rachel Parker – HR Analyst



Ethan Rundquist - Data Analyst

F&H Background

- Provides legal, analytical, public affairs, and media relations services for over 30 years.
- Includes practice areas in:
 - Job classification, Compensation, and Organizational
 - Labor and Employment Law
 - Human Resources
- Performed classification and compensation services for numerous public entities:
 - Entities serve populations of 1,000 to 294,000
 - Primarily cities
- Understands public sector market, compensation best practices, city organization, public financing, and unionized environment

Introduction

- Flaherty & Hood, P.A. performed a Job Classification and Compensation study for the City of Brainerd.

Why Conduct the Study?

- Ensure that each job class in the organization interrelates with each other so that the City of Brainerd can:
 - Optimize achievement of the city's mission, goals and objectives
 - Determine the relative worth and appropriate pay rate for jobs internally and externally

Why Conduct the Study?

- Minnesota Pay Equity Act and to be in Compliance
 - Requires compensation for female-dominated classes not consistently below the compensation for male-dominated classes of comparable value of work
 - Measured by skill, effort, responsibility, and working conditions normally required in the performance of the work
 - Establish a uniform job classification and compensation system, with job ratings for positions that comply with Pay Equity.

What does this study include?

- Position Classification
 - Systematic study of jobs
 - To determine:
 - Activities and responsibilities they include
 - Personal qualifications necessary for the performance of the jobs
 - Conditions under which the work is performed
 - Each job's relative importance and worth to other jobs internally and externally.

What does this study include?

- Position Compensation
 - Includes compensation amounts paid to employees
 - A compensation system involves establishing how the municipal entity manages compensating employees

What does this study include?

- Total Rewards:
 - Tools to attract, motivate, and retain employees.
 - Include everything the employee perceives to be of value resulting from the employment relationship
 - Compensation
 - Benefits
 - Work-life effectiveness
 - Recognition
 - Performance management
 - Talent development

Process

- Review Information
- Position Analysis
- Position Classification and Evaluation
- Market Benchmark and Survey
- Creating the Base Pay Structure
- System Implementation

Phase B - Position Analysis

The systematic process for obtaining important and relevant information about each distinct role.

- The following relevant job information was compiled and reviewed from the City of Brainerd:
 - Job evaluation system and ratings
 - Job descriptions
 - FLSA exempt status
 - Organizational chart
 - Classification and compensation structure and pay schedule
 - Pay equity report

Phase B - Position Analysis

- Position Analysis was conducted through the use of a Job Analysis Questionnaire (JAQ), which included eight different subsections:
 - Supervision
 - Position summary
 - Employee function
 - Minimum qualifications
 - Desired qualifications
 - Complexity
 - Responsibility
 - Physical abilities

Phase B - Position Analysis

- F&H also conducted a detailed review of the following:
 - Job Classifications
 - 75 Position
 - 121 regular, full-time employees
 - 69% of positions are unionized
 - 81% of those employees are unionized.
 - Position's FLSA Exempt Status
 - Job Descriptions
 - Job Interviews

Phase C - Position Classification and Evaluation

Job evaluation develops internal standards of comparison and measures relative job worth within Brainerd.

- A desired job evaluation system includes:
 - Defined text for uniform compensable factors and sub-factors for evaluating jobs
 - Establishes degrees for factors and sub-factors and corresponding points
 - Established points are based on the qualities of the job, not the individual or individuals that perform the job

Phase C - Position Classification and Evaluation

- City of Brainerd's current system:
 - Utilizes the Systemic Analysis and Factor Evaluation (SAFE) SAFE System
 - System was not workable for pay equity and lacked a formal and understandable way for job evaluation for both the City of Brainerd and Brainerd Public Utilities
 - Does not provide guidance on the development of job descriptions, job specifications or assisting with pay equity.
- A system should be formal, understandable and legally compliant such as the Flaherty & Hood Job Evaluation System

F&H Job Evaluation System

- Developed following a comprehensive review and analysis of strengths and weaknesses in writing and practice of numerous Minnesota local, State of Minnesota and Federal Government systems
- Customized for Minnesota local governments
- Adaptable for each entity's circumstances
- Uses the precise factors Minnesota's pay equity law requires to measure the value of work, i.e., skill, effort, responsibility, and working conditions

F&H Position Evaluation System

- Skill
 - Measured by factors such as the experience, ability, education, and training required to perform a job
- Effort
 - The amount of mental exertion needed to perform a job
- Responsibility
 - The degree of accountability required in performing a job
- Working conditions
 - Measured by factors such as surroundings and hazards

Phase D – Market Benchmark and Survey

- F&H established comparable entities based on statistical analysis.
 - F&H Cluster Analysis
 - Common Factor
 - Geography
 - Population
- Compiled, reviewed, and analyzed the market compensation data for job classifications, including:
 - Wages
 - Pay Structures
 - Steps and Longevity Pay
 - Separation Benefits

Phase D – Market Benchmark and Survey

- F&H compiled, reviewed and analyzed market compensation data for benchmarked classifications
- Benchmarked classifications were established by using the following parameters:
 - Easily defined and found in other organizations for comparison
 - Representative of all levels and spread from top to bottom and across all functions
 - Represent the City's internal hierarchy and are spread out throughout departments

Phase E- Proposed Base Pay Structure

- A base pay structure (BPS) is the hierarchy of job grades and pay ranges established within an organization.
- The backbone of the BPS is usually a regression analysis (i.e. a statistical approach to show the relationship between two variables) based on both the job evaluation points and the market pay rates for each position.

Phase E- Current Base Pay Structure

- Reviewed current structure:
 - Brainerd utilizes a different pay structure for the nonunion positions
 - Brainerd utilizes a different pay structure for several of their union positions
 - Some employees may receive performance pay when they reach a certain step or amount of years of service within their position
 - F&H solicited feedback from management on all components of a base pay structure (BPS)

Phase E- Proposed Base Pay Structure

- Based on the study's results, and the City of Brainerd's management feedback, with additional factors, a proposed updated structure was developed.
- This proposed base pay structure ensures that the structure is:
 - Internally equitable
 - Legally compliant (Pay Equity)
 - Externally competitive today and in the future
 - Affordable

Phase E- Proposed Base Pay Structure

- Proposed BPS includes:
 - Uniform structure
 - Pay grades with ranges
 - Based on
 - Differential between pay grades using predicted pay
 - Minimum set at portion of maximum of each range
 - Pay grade for each job classification based on correlated job points
 - Steps that can move within range

Phase F - Implementation

- Direction from the City Council on the study preferred implementation components
- Communications to employees and any required negotiations with unions
- After such meetings, Management submit proposed actions to City Council to finalize implementation.
- F&H will prepare and continue to assist with:
 - Job analysis questionnaire
 - Updated job descriptions
 - Job description drafting guide
 - Classification and compensation plan
 - Classification and compensation manual

Questions?