



# City of Blaine Anoka County, Minnesota

Blaine City Hall  
10801 Town Sq Dr NE  
Blaine MN 55449

## Legislation Text

---

File #: WS 20-111, Version: 1

---

### **WORKSHOP ITEM** *Cassandra Tabor, Human Resources Director*

#### **COMPENSATION STUDY**

The City of Blaine hired Gallagher to complete a compensation study in 2018 with four objectives:

- ❖ Develop and update the City's classification structure
- ❖ Classify City jobs using the Decision Band Method (DBM) to ensure proper internal equity
- ❖ Collect market salary information to ensure external competitiveness
- ❖ Build a salary structure that balances internal equity within the City and the external competitive market.

Due to a transition in human resources and city management, the compensation plan was delayed and implementation is now needed.

#### **Background:**

The City accepted a proposal and hired Gallagher to complete a Compensation Study and Plan for the City. Initially, due to the project budget, Gallagher utilized salary information previously gathered to represent public sector organizations in the metro. Later, Gallagher was directed to collect new information from cities determined to be comparable to Blaine, including but not limited to Brooklyn Center, Golden Valley, Fridley, and Richfield.

In completing the classification study, Gallagher was able to organize the bodies and levels of work that exist in the City as well as reduce the number of classifications by eighteen. Position Description Questionnaires (PDQ) were completed by all employees and utilized as the basis for the classification structure. In addition sixteen occupational panels were conducted with selected groups of employees. Department Head interviews were also completed at this time and a classification structure was created to simplify and ensure ease of administration while allowing for the use of position-specific titles within the structure.

This survey information, in conjunction with the PDQs and interviews, allowed Gallagher to

identify benchmark jobs and make appropriate job matches of at least 80%, and from there develop salary ranges. Survey data was combined for each benchmark job to calculate the 25<sup>th</sup>, 50<sup>th</sup>, and 75<sup>th</sup> percentile across job matches. Gallagher initially recommended that the City adopt a full market structure at the 75<sup>th</sup> percentile. Council discussed and provided direction to create a Compensation Plan at the 50<sup>th</sup> percentile with the following steps:

- ❖ Bring staff below the minimum pay range for their job title to the minimum
- ❖ Bring those within their pay range up to step
- ❖ Bring those at their step up to the midpoint (50<sup>th</sup> percentile), reflecting longevity of service.

Pay administration guidelines would then be implemented, including appointment of new hire employees at the range minimum (for minimally qualified individuals) and up to the first quartile (25<sup>th</sup> percentile) for well-qualified individuals. Recommendations for ongoing administration including adjusting the movement trend structure yearly to remain competitive in the market, movement through the structure to reflect competent performance in the job class, and conducting a comprehensive market compensation study similar to the salary study portion of this project at least every 3-5 years.

In 2020, after the transition within human resources and city management, Gallagher met with Department Heads to present and adjust the final Decision Band Method structure. In addition, PDQs were reviewed for accuracy, as more than a year had passed since the initial compensation study and plan had been created and proposed.

## **Conclusion**

City Staff is now responsible for the implementation steps of the compensation plan and will present updated information on the following items at the Council retreat:

- ❖ The final DBM structure with min-max ranges, including performance pay for those nearing the top of their range
- ❖ An Employee education and notification plan including an appeals process regarding job content
- ❖ A timeline for implementation of the new structure