Position Classification & Compensation Study Report

City of New Prague

New Prague, Minnesota
February 15, 2021

ABDO EICK & MEYERS LLP
AEM Workforce Solutions™

People + Process®
Going Beyond the Numbers

City of New Prague
118 Central Ave. N
New Prague, MN 56071

Executive Summary

Our firm was contracted by the City of New Prague to provide a partial position classification and compensation study for the 2021 budget year. The City engaged another consultant to conduct a similar study in 2019 but it was never completed and City leadership wished to update market data and finalize the compensation program analysis. New Prague's last formal compensation study was completed in 2014 and since that time the City continues to experience population growth, organizational changes, changing position responsibilities, and recruiting challenges, particularly in the Electric Utilities department. This updated independent study was viewed by City leadership as an opportunity for New Prague to accomplish a variety of important strategic priorities, including an analysis of the current municipal and private compensation markets, a review of current and potential Minnesota Pay Equity compliance requirements, a review of current active collective bargaining agreements, and an evaluation of current length of service step increase award policies.

To achieve the objectives set forth in our project scope of work, we completed a scoring exercise using a model similar to the State of Minnesota Hay Study. Using this model, each position was given a score in the following categories; know-how, problem solving, accountability and special conditions. These categories are intended to measure and rank the level of knowledge, skills, and impact on City operations for each position. The Hay Model position classification system is a change from pre-existing pointing methodology but evaluates each position based on very similar criteria and conditions.

To complete the evaluation and scoring of New Prague positions, we reviewed City provided job descriptions and requested additional information and clarification from City leadership, as needed. Upon completing the scoring of positions to determine pay equity, our firm also completed a market wage analysis to compare the City's current wage scale, by position, to the overall public employee wage market in Minnesota.

The market analysis consisted of analyzing salary data from comparable local governments in Minnesota by reviewing municipal salary data published by the League of Minnesota Cities (LMC) through their 2020 annual salary survey as well as Electric Utility wage information provided by the Minnesota Municipal Utilities Association (MMUA) and the Southern Minnesota Municipal Power Association (SMMPA). Private sector wage information, provided by the Minnesota Department of Employment and Economic Development, was also referenced for Electric Utility positions to evaluate marketability with comparable and/or competitive private sector positions.

The results of both the classification (position scoring) and compensation analysis follow.

Methodology

In 2014, when the last formal internal position classification and compensation review was completed, estimated wages and salaries were compared to comparable public employers in the region. At this time, average wage ranges were found to be 2.5% to 5% below the market averages. The 2015 study also recommended that the City implement a formal step and grade compensation model, including updated position pointing. The City elected to adopt and implement the proposed compensation model and since the 2014 study, although some positions have been paid higher or lower than the predicted pay scale, the City has maintained consistent compliance with the Minnesota Pay Equity Act.

In the years following the last study (2014), the City has experienced retirements, resignations, and changing position responsibilities which have impacted both the job duties and wage demands for many positions. City leadership is also anticipating steady population growth within the next 5 to 10 years as well as several key leadership retirements in the next 1-5 years. In light of these organizational changes and projected growth, the City of New Prague determined that an updated, independent, system-wide position reclassification and market wage analysis was necessary to assist executive leadership in establishing an updated, marketable, and logical employee wage and salary framework to be able to build upon in the future.

Scoring Analysis

This section reflects the review and analysis of all New Prague job descriptions. To complete this task AEM Workforce Solutions, LLC used existing job description information for current positions, based on direction from the City. Our firm reviewed the changes and solicited necessary feedback from City representatives to gain the insight needed to score the various positions. The positions were scored using a plan adapted from the Hay method. The model assigned each position a score in the following categories (adapted from the State of Minnesota 2009 Hay Manual): Know-How, Problem Solving, Accountability, and Special Conditions.

Know-How represents the knowledge, skills and abilities (KSAs) an employee needs to be successful in a particular job. The Hay evaluation method places the greatest emphasis on Know-How. Know-How is defined as an expert skill, information or body of knowledge that imparts an ability to cause a desired result. The Know-How category is the most heavily weighted category. If a position is more easily learned, the position will point toward the lower end of the scale.

Know-How category is further divided into three parts: Depth and Breadth of Job-Specific Knowledge (aka Technical and Specialized Know-How and Job-Specific Knowledge); Integrating Know-How (aka Managerial Breadth or Know-How); and Human Relation Skills (aka Human Relations Know-How). A number is assigned for total Know-How points by making several separate choices for each of the three elements described and an overall assessment.

Job-Specific Knowledge includes the position's requirements for knowledge and skills related to practices, procedures, specialized techniques and professional disciplines. It also includes basic and job-specific supervisory and managerial knowledge, skills, and abilities (KSAs), when appropriate. This aspect of Know-How does not make distinctions among differently-sized managerial jobs nor does it include human relation skills. It is important to remember that this element measures the requirements of the position, not the qualifications of an incumbent.

Integrating Know-How considers the need to integrate and manage progressively more diverse functions and is used to rank managerial breadth and scope, from similar to very different functions. When required, basic and job-specific supervisory and managerial knowledge, skills and abilities are included in the Job-Specific part of a Know-How rating. The overall size of an organization directly influences the number of managerial breath categories, because the organizational size often reflects requirements for increased managerial complexity and diversity.

Human Relation Skills is the third element of a job's Know-How rating. It is the active, practicing interpersonal skills typically required for productive working relationships to work with, or through, others inside and/or outside of the organization to get work accomplished. It assumes that each job requires a foundation of basic human relations skills. To be effective, an employee must typically be proficient at the highest level of Human Relations Skill regularly required for the position.

Problem Solving is the process of working through details of a problem to reach a solution. Problem solving may include mathematical or systematic operations and can be a gauge of an individual's critical thinking skills. Problem Solving measures the intensity of the mental process that uses Know-How to: (1) identify, (2) define, and (3) resolve problems. It is a percentage of Know-How, reflecting the fact that "you think with what you know." This is true of even the most creative work. Ideas are put together from something already there. The raw material of any thinking is knowledge of facts, principles and means.

Context includes the influences or environment that limit or guide decision-making such as rules, instructions, procedures, standards, policies, principles from fields of science and academic disciplines. Positions are guided by organizational, departmental or functional goals, policies, objectives and practices circumscribed by procedures and instructions. In general, policies describe the "what" of a subject matter, procedures detail the steps needed to follow through on a policy (i.e., how, where, when, by whom) and instructions outline the specific aspects of how to perform the tasks, such as the operation of a machine or how to select the appropriate letters to use in particular situations.

Thinking Challenge includes the nature of the problems encountered and the mental processes used to resolve the problems. The scale ranges from simple problems to very complex issues, with the premise that simple issues recur regularly in the same form and after a while are resolved by rote or instinct, but very

difficult issues require substantial thinking and deliberation. The types of situations encountered and the processes involved in identifying, defining or resolving related problems are considered. Thinking Challenge reflects the degree of difficulty in finding improvements and adapting to changes.

Accountability does not mean being responsible for getting one's own work done. Rather, it reflects responsibility for actions and their consequences and the measured effect of the job on end results for the organization. Accountability includes three factors: Freedom to Act/Empowerment, Magnitude, and Job Impact.

Freedom to Act/Empowerment involves the degree of personal or procedural control or guidance exercised over the position. For example, what constraints are put on an employee in this job? How closely supervised is the position? What kinds of decisions are made higher up in the organization?

Magnitude is the portion of the total organization encompassed by the position's primary purpose. It's most typically indicated by the general dollar size of the area(s) most directly affected by the job, i.e., the resources over which the position has control or influence. A variety of factors are considered such as size of budget is employee responsible for, what degree of influence is held and is this person a decision maker.

Job Impact is considered to be indirect (indirect or contributory) or direct and measurable (shared or primary). It involves the way in which the position's actions affect end results in the agency. For example, how does the employee influence the business - directly or indirectly? Does the employee provide advisory or interpretive services for others to use in making decisions? Is the job an information-recording one? Does it provide a necessary service with a relatively small effect on the business of the agency? "Contributory" and "primary" are, by far, the most frequently used options."

Special Conditions consider the physical effort, environmental conditions, hazard exposure, and sensory attention demands that an employee is commonly subject to in the position. For example, two positions may be assigned identical points in all other areas but the position that is regularly required to work in extreme outdoor conditions (i.e. heat or extreme cold) would receive additional points for these factors.

The work associated with this scoring represents the primary work conducted for this assignment, which is to review positions and functions and provide a consistent measurement and "scoring" of functions and responsibilities within the municipality.

Findings and Recommendations

Position Points

Table 1 represents the total score assigned to each position based on the Methodology discussed.

Table 1: Position Classification and Point Assignment

Position	Department	Points	New Grade
Custodian	General / Multidepartment	81	6
Maintenance Worker-Parks	Public Works - Parks	127	8
Clerk/Receptionist	Administration	129	8
Customer Service/Accounting Clerk	Administration	129	8
Police Clerk-Typist	Police	129	8
Accounting Technician	Administration	157	9
Planning Technician	Planning & Building Inspections	164	9
Police Records Technician	Police	164	9
Utility Billing Clerk	Administration	164	9
Purchasing/Inventory Clerk	General / Multidepartment	168	9
Maintenance Worker-Street	Public Works - Street	170	9
Administrative Coordinator	Administration	172	10
Maintenance Worker/Water Operator	General / Multidepartment	183	10
Golf Mechanic	Golf Club	187	10
Wastewater Operator I	Public Works - Wastewater	190	10
Water Operator	Electric & Water	190	10
Generation Operator	Electric & Water	210	11
Apprentice Lineman	Electric & Water	212	11
Wastewater Operator II	Public Works - Wastewater	215	11
Public Works Supervisor-Street	Public Works - Street	217	12
Building Inspector	Planning & Building Inspections	231	12
Police Officer	Police	242	N/A
Parks Maintenance Supervisor	Public Works - Parks	245	12
Generation Supervisor	Electric & Water	249	12
Assistant Superintendent-Wastewater	Public Works - Wastewater	280	13
Water Supervisor	Electric & Water	280	13
Golf Superintendent	Golf Club	280	13
Journeyman Lineman	Electric & Water	290	13
Superintendent-Wastewater	Public Works - Wastewater	316	14
Police Sergeant	Police	323	N/A
Distribution Supervisor	Electric & Water	368	14
Building Official/Fire Marshall	Planning & Building Inspections	383	14
Electric Operations Supervisor	Electric & Water	430	15
Planning/Community Development Director	Planning & Building Inspections	456	16
Public Works Director	Public Works	470	16
General Manager	Electric & Water	480	17
Chief of Police/Emergency Management Director	Police	490	17
Finance Director	Administration	500	17
City Administrator	Administration	716	19

Market Analysis

This section documents a sample of the wages offered to the employees of comparable local governmental units in Minnesota. The comparable government entities identified for this study were communities of comparable size, complexity, geographic location, and proximity to the metro area.

The City of New Prague is within 30 miles of several cities with populations of over 20,000, including Northfield and Faribault, as well as many very large south metro communities. As a result, the City is likely competing for talented employees with these larger out-state and south metro communities. The City should consider a competitive compensation scale to attract and retain qualified employees that have the knowledge, skills and abilities to provide service levels expected within the community, particularly considering the population growth and key leader retirements expected in the next 5-10 years. These factors, coupled with the demand of specific technical and multi-faceted positions within the City, have resulted in the recommendations provided in this survey.

The wages of the comparable positions for the municipalities listed in **Table 2** were compared with those at the City of New Prague. **It should be noted that the governments listed do not always have the exact type or number of positions as New Prague and, in these cases, assumptions about duties and levels of responsibilities were made based on job titles and supervisory reporting information and were used to identify comparable positions.**

Table 2 - Market Survey

The Market Survey lists government agencies that were included in standard demographics for at least one existing position in the market analysis.

Austin
Belle Plaine
Brainerd
Buffalo
Chaska
Circle Pines
Delano
Detroit Lake Public Utilities
Excel Energy
Farmington
Glencoe
Grand Rapids Public Utilities
Great River Energy
Hutchinson
Jordan
Litchfield
MMUA
MN Valley Electric
Marshall Municipal Utilities
Monticello
New Ulm
Northfield
Owatonna
Princeton Public Utilities
Prior Lake
Redwood Falls
Rogers
Savage
Shakopee
SMMPA
St. Peter
Victoria
Waseca

Bold *organizations identify wage data collected only during the 2019 study*

The market analysis has been adjusted to reflect comparable 2020 wages for the local governments analyzed. Results, by individual position, of the market wage study is reflected in ***Table 3.***

- A negative average market variance indicates that the current City of New Prague wages fall **BELOW** the market
- A positive average market variance indicates that the current City of New Prague wages fall **ABOVE** the market

Table 3 - Market Analysis

2020 Wage Analysis - City of New Prague								
Position Title	Market Min Salary (2020 Rates)		City Over / (Under) Current Market Minimum	%	Market Max Salary (2020 Rates)		City Over / (Under) Current Market Maximum	%
Accounting Technician	$ 23.98	$ 49,874.12	$ 1.19	5%	$ 31.68	$ 65,890.40	$ (0.41)	-1%
Administrative Coordinator	$ 24.94	$ 51,864.80	$ (1.19)	-5%	$ 32.69	$ 67,984.80	$ (3.19)	-11%
Apprentice Lineman	$ 26.97	$ 56,087.34	$ 1.31	5%	$ 43.49	$ 90,459.98	$ (8.36)	-24%
Assistant Superintendent-Wastewater	$ 31.20	$ 64,901.94	$ 0.57	2%	$ 40.77	$ 84,799.29	$ (1.30)	-3%
Building Inspector	$ 30.59	$ 63,633.49	$ (0.62)	-2%	$ 40.82	$ 84,910.63	$ (3.59)	-10%
Building Official/Fire Marshall	$ 36.19	$ 75,275.50	$ (0.49)	-1%	$ 46.35	$ 96,398.91	$ (2.00)	-5%
Chief of Police/Emergency Management Director	$ 45.60	$ 94,846.31	$ (0.53)	-1%	$ 60.04	$124,881.40	$ (4.04)	-7%
City Administrator	$ 53.42	$111,117.03	$ (2.88)	-6%	$ 69.93	$145,457.71	$ (7.01)	-11%
Clerk/Receptionist	$ 21.42	$ 44,555.48	$ 0.98	4%	$ 28.70	$ 59,690.22	$ (0.87)	-3%
Custodian	$ 18.10	$ 37,639.68	$ 1.84	9%	$ 24.58	$ 51,118.08	$ 0.19	1%
Customer Service/Accounting Clerk	$ 22.10	$ 45,960.52	$ 0.30	1%	$ 28.04	$ 58,330.11	$ (0.22)	-1%
Distribution Supervisor	$ 32.26	$ 67,090.40	$ 3.44	10%	$ 46.53	$ 96,782.40	$ (2.18)	-5%
Electric Operations Supervisor	$ 34.66	$ 72,101.08	$ 5.45	14%	$ 50.90	$105,867.29	$ (1.06)	-2%
Finance Director	$ 45.26	$ 94,145.49	$ (2.74)	-6%	$ 59.57	$123,910.69	$ (6.74)	-13%
General Manager	$ 50.00	$104,001.08	$ (4.93)	-11%	$ 69.89	$145,380.82	$ (13.89)	-25%
Generation Operator	$ 24.42	$ 50,788.33	$ 2.26	8%	$ 33.20	$ 69,064.20	$ (0.06)	0%
Generation Supervisor	$ 31.32	$ 65,156.00	$ (1.35)	-5%	$ 48.91	$101,737.45	$ (11.68)	-31%
Golf Mechanic	$ 26.85	$ 55,848.00	$ (0.17)	-1%	$ 33.73	$ 70,161.00	$ (0.59)	-2%
Golf Superintendent	$ 34.14	$ 71,019.16	$ (2.37)	-7%	$ 47.86	$ 99,550.78	$ (8.39)	-21%
Journeyman Lineman	$ 30.72	$ 63,892.58	$ 2.96	9%	$ 44.54	$ 92,634.57	$ (2.70)	-6%
Maintenance Worker/Water Operator	$ 24.39	$ 50,724.51	$ 2.29	9%	$ 34.09	$ 70,914.86	$ (0.95)	-3%
Maintenance Worker-Parks	$ 23.27	$ 48,404.17	$ (0.87)	-4%	$ 30.36	$ 63,144.57	$ (2.53)	-9%
Maintenance Worker-Street	$ 24.76	$ 51,503.19	$ 0.41	2%	$ 32.79	$ 68,213.17	$ (1.52)	-5%
Parks Maintenance Supervisor	$ 29.26	$ 60,852.15	$ 0.72	2%	$ 41.48	$ 86,273.01	$ (4.24)	-11%
Planning/Community Development Director	$ 47.06	$ 97,884.48	$ (6.95)	-17%	$ 62.18	$129,328.21	$ (12.34)	-25%
Planning Technician	$ 21.69	$ 45,115.20	$ 3.48	14%	$ 29.08	$ 60,494.72	$ 2.19	7%
Police Clerk-Typist	$ 22.60	$ 47,009.67	$ (0.20)	-1%	$ 29.00	$ 60,325.55	$ (1.18)	-4%
Police Officer	$ 29.16	$ 60,657.93	$ 0.74	2%	$ 39.38	$ 81,909.53	$ (2.14)	-6%
Police Records Technician	$ 22.76	$ 47,348.58	$ (0.37)	-2%	$ 30.32	$ 63,075.02	$ (2.50)	-9%
Police Sergeant	$ 36.11	$ 75,104.23	$ (0.41)	-1%	$ 44.86	$ 93,312.49	$ (0.51)	-1%
Public Works Director	$ 42.44	$ 88,276.40	$ 0.08	0%	$ 57.28	$119,137.49	$ (4.45)	-8%
Public Works Supervisor-Street	$ 32.52	$ 67,634.74	$ (4.24)	-15%	$ 42.90	$ 89,228.48	$ (7.77)	-22%
Purchasing/Inventory Clerk	$ 21.21	$ 44,125.85	$ 3.95	16%	$ 28.97	$ 60,250.37	$ 2.30	7%
Superintendent-Wastewater	$ 34.06	$ 70,837.56	$ 1.64	5%	$ 47.43	$ 98,647.73	$ (3.08)	-7%
Utility Billing Clerk	$ 22.48	$ 46,762.42	$ 1.26	5%	$ 29.98	$ 62,363.68	$ (0.48)	-2%
Wastewater Operator I	$ 22.23	$ 46,232.37	$ 4.45	17%	$ 30.44	$ 63,305.59	$ 2.70	8%
Wastewater Operator II	$ 27.48	$ 57,161.87	$ 0.80	3%	$ 33.94	$ 70,588.27	$ 1.19	3%
Water Operator	$ 25.58	$ 53,198.08	$ 1.10	4%	$ 34.21	$ 71,151.37	$ (1.07)	-3%
Water Supervisor	$ 31.74	$ 66,028.97	$ (1.77)	-6%	$ 43.55	$ 90,588.13	$ (6.32)	-17%
		AVERAGE	**$ 0.23**	**1%**			**$ (3.10)**	**-8%**

Key market wage analysis considerations and findings include:

- All market and City of New Prague wage data is based on 2020 compensation scales.
- An assumed 2.75% COLA was applied to all 2019 Wage study data and used in the analysis.
- Private market wage data, collected from the Minnesota Department of Economic Development's 1st Quarter 2020 report, was used for the following positions:
  - Distribution Supervisor
  - Electric Operations Supervisor
  - General Manager
  - Generation Supervisor
  - Journeyman Lineman
  - Apprentice Lineman
- City of New Prague Police union agreements are in place through December 31, 2021. Covered positions have been included in the market study but are not included in the proposed step/grade compensation model. These compensation amounts/scales will require independent negotiation.
- Current pay range MINIMUMS for each position were, on average, 1% above the market minimum pay for similar positions. It is important to note, however, that this is only an average. There are several positions whose minimum pay is well below or above the market data minimums.
- Current pay range MAXIMUMS for each position were, on average, 8% below the market minimum pay for similar positions. There are several positions whose maximum pay is well below or above the market average maximums.
- There is limited relevant market data for most Electric Utilities management positions as well as for Golf Course positions. Market analysis was based on the best information available.
- There is significant overlap and variability in application of lineman (Apprentice and Journeyman) positions within the market as well as evidence of more rapid step progression, likely due to competition with private and cooperative electric utilities providers.
- The significant market variance for the positions listed below seems to indicate that either the position wage range is well above or below the market or that the position within the City of New Prague is not comparable, in regard to duties, experience requirements, and responsibilities, to other positions with similar titles in comparable cities.
  - Administrative Coordinator
  - Utilities General Manager
  - Planning/Community Development Director
  - Public Works Supervisor - Street
- Overall, a reevaluation of the existing position classification and wage scale will assist in realigning all positions in relation to the City's internal organizational structure and to the market. Doing so will, presumably have a positive impact on future employee recruitment and current employee satisfaction and retention.
- The League of Minnesota Cities Survey and other Market Survey results are reflective of 2020 wage data. It is important to consider that many cities approve annual Cost of Living Adjustments (COLA) and have done so for a January 1, 2021, effective date. As a result, it should be noted that, should the City not elect to apply a 2021 COLA adjustment to their current compensation model or implement the proposed compensation scale updates, current market variances, as reflected in the following table, may continue to grow.
- Effective January 1, 2021, all City employees, including employees covered under the LELS union agreement, were approved for a 2.75% COLA.
- Many of our clients budgeted 2021 cost of living adjustments between 1.5% – 3.0%. Examples of approved 2020 Cost of Living Adjustments, which we anticipate to be similar to 2021 approved adjustments, for several comparable cities are listed below.

Blaine	*3.0%*	*Mounds View*	*3.0%*
Shorewood	*3.0%*	*Becker*	*2.5%*
Orono	*2.5%*	*Oak Park Heights*	*3.0%*
Arden Hills	*2.5%*		

Compensation Plan

During initial discussions with City leadership, it was clear that the following key strategic goals and assumptions applied:

- The City of New Prague, in anticipation of continued growth over the next 5-10 years, is motivated to attract and retain qualified talent to facilitate successful City operations and leadership, particularly in the Electric Utilities department. In order to do this effectively, wage scales must be competitive, preferably slightly above, comparable public and municipal employee market average ranges (minimums and maximums).
- The City is currently awarding step increases based on length of service. While they may be open to considering a more performance/merit based step increase award program in the future, rather than awarding steps primarily based on length of service, there would first need to be broad changes to overall performance evaluation and management processes to ensure consistent application of performance based step awards.
- While employees represented by collective bargaining agreements are not subject to the City of New Prague's internal step and grade compensation program, they still have a desire to evaluate the marketability of current agreed upon wage scales.
- Employees represented by current collective bargaining agreements do currently, however, maintain pay ranges and structure that is consistent with the larger organization.

The proposed compensation model reflects the following structural components:

- Step and grade model utilizes a total of 14 steps, including the start step, to achieve maximum compensation within a total of 19 grade levels. This is an addition of 5 more steps and 2 more grade levels.
- The first 11 steps are intended to be used as the "standard" compensation scale, to be awarded using the City's current length of service step award process. The minimum and maximum pay levels for the "Standard" compensation scale are both, on average, 2%-6% above market average minimum and maximums.
- The proposed scale includes a 9.00% adjustment between grades. This is an increase from a 6% adjustment with the previous compensation model.
- The Standard Scale reflects a 2.75% adjustment between steps. This is consistent with the previous compensation model.
- The Bonus Scale reflects a 5.00% adjustment between steps.
- The range within each Standard Scale grade (Step 1 through Step 11) is 31.43%.
- The range within each Bonus Scale grade (step 11 through step 14) is 15.84%

Table 4.a. - Step and Grade Scale – 2020 Originally Proposed Compensation Model – No COLA Adjustments

Points			Standard Steps											BONUS PERFORMANCE STEPS		
		Grade	1	2	3	4	5	6	7	8	9	10	11	12	13	14
0	50	1	$ 12.25	$ 12.59	$ 12.94	$ 13.30	$ 13.67	$ 14.05	$ 14.44	$ 14.84	$ 15.25	$ 15.67	$ 16.10	$ 16.91	$ 17.76	$ 18.65
51	57	2	13.35	13.72	14.10	14.49	14.89	15.30	15.72	16.15	16.59	17.05	17.52	$ 18.40	$ 19.32	$ 20.29
58	64	3	14.55	14.95	15.36	15.78	16.21	16.66	17.12	17.59	18.07	18.57	19.08	$ 20.03	$ 21.03	$ 22.08
65	71	4	15.86	16.30	16.75	17.21	17.68	18.17	18.67	19.18	19.71	20.25	20.81	$ 21.85	$ 22.94	$ 24.09
72	80	5	17.29	17.77	18.26	18.76	19.28	19.81	20.35	20.91	21.49	22.08	22.69	$ 23.82	$ 25.01	$ 26.26
81	93	6	18.85	19.37	19.90	20.45	21.01	21.59	22.18	22.79	23.42	24.06	24.72	$ 25.96	$ 27.26	$ 28.62
94	108	7	20.55	21.12	21.70	22.30	22.91	23.54	24.19	24.86	25.54	26.24	26.96	$ 28.31	$ 29.73	$ 31.22
109	136	8	22.40	23.02	23.65	24.30	24.97	25.66	26.37	27.10	27.85	28.62	29.41	$ 30.88	$ 32.42	$ 34.04
137	170	9	24.42	25.09	25.78	26.49	27.22	27.97	28.74	29.53	30.34	31.17	32.03	$ 33.63	$ 35.31	$ 37.08
171	197	10	26.62	27.35	28.10	28.87	29.66	30.48	31.32	32.18	33.06	33.97	34.90	$ 36.65	$ 38.48	$ 40.40
198	215	11	29.02	29.82	30.64	31.48	32.35	33.24	34.15	35.09	36.05	37.04	38.06	$ 39.96	$ 41.96	$ 44.06
216	260	12	31.63	32.50	33.39	34.31	35.25	36.22	37.22	38.24	39.29	40.37	41.48	$ 43.55	$ 45.73	$ 48.02
261	313	13	34.48	35.43	36.40	37.40	38.43	39.49	40.58	41.70	42.85	44.03	45.24	$ 47.50	$ 49.88	$ 52.37
314	383	14	37.58	38.61	39.67	40.76	41.88	43.03	44.21	45.43	46.68	47.96	49.28	$ 51.74	$ 54.33	$ 57.05
384	434	15	40.96	42.09	43.25	44.44	45.66	46.92	48.21	49.54	50.90	52.30	53.74	$ 56.43	$ 59.25	$ 62.21
435	478	16	44.65	45.88	47.14	48.44	49.77	51.14	52.55	54.00	55.49	57.02	58.59	$ 61.52	$ 64.60	$ 67.83
479	575	17	48.67	50.01	51.39	52.80	54.25	55.74	57.27	58.84	60.46	62.12	63.83	$ 67.02	$ 70.37	$ 73.89
576	691	18	53.05	54.51	56.01	57.55	59.13	60.76	62.43	64.15	65.91	67.72	69.58	$ 73.06	$ 76.71	$ 80.55
692	831	19	57.82	59.41	61.04	62.72	64.44	66.21	68.03	69.90	71.82	73.80	75.83	$ 79.62	$ 83.60	**

** N/A - In excess of statutory compensation limitations

Table 4.b. - Step and Grade Scale – 2020 Proposed Compensation Model with 2.75% COLA – 2021 Implementation

Points		Grade	Standard Steps											BONUS PERFORMANCE STEPS		
			1	2	3	4	5	6	7	8	9	10	11	12	13	14
0	50	**1**	$ 12.59	$ 12.94	$ 13.30	$ 13.67	$ 14.05	$ 14.44	$ 14.84	$ 15.25	$ 15.67	$ 16.10	$ 16.54	$ 17.38	$ 18.25	$ 19.16
51	57	**2**	13.72	14.10	14.49	14.89	15.30	15.72	16.15	16.59	17.05	17.52	18.00	18.91	19.85	20.85
58	64	**3**	14.95	15.36	15.78	16.21	16.66	17.12	17.59	18.07	18.57	19.08	19.60	20.58	21.61	22.69
65	71	**4**	16.30	16.75	17.21	17.68	18.17	18.67	19.18	19.71	20.25	20.81	21.38	22.45	23.57	24.75
72	80	**5**	17.77	18.26	18.76	19.28	19.81	20.35	20.91	21.49	22.08	22.69	23.31	24.48	25.70	26.98
81	93	**6**	19.37	19.90	20.45	21.01	21.59	22.18	22.79	23.42	24.06	24.72	25.40	26.67	28.01	29.41
94	108	**7**	21.12	21.70	22.30	22.91	23.54	24.19	24.86	25.54	26.24	26.96	27.70	29.09	30.55	32.08
109	136	**8**	23.02	23.65	24.30	24.97	25.66	26.37	27.10	27.85	28.62	29.41	30.22	31.73	33.31	34.98
137	170	**9**	25.09	25.78	26.49	27.22	27.97	28.74	29.53	30.34	31.17	32.03	32.91	34.55	36.28	38.10
171	197	**10**	27.35	28.10	28.87	29.66	30.48	31.32	32.18	33.06	33.97	34.90	35.86	37.66	39.54	41.51
198	215	**11**	29.82	30.64	31.48	32.35	33.24	34.15	35.09	36.05	37.04	38.06	39.11	41.06	43.11	45.27
216	260	**12**	32.50	33.39	34.31	35.25	36.22	37.22	38.24	39.29	40.37	41.48	42.62	44.75	46.99	49.34
261	313	**13**	35.43	36.40	37.40	38.43	39.49	40.58	41.70	42.85	44.03	45.24	46.48	48.81	51.25	53.81
314	383	**14**	38.61	39.67	40.76	41.88	43.03	44.21	45.43	46.68	47.96	49.28	50.64	53.16	55.82	58.62
384	434	**15**	42.09	43.25	44.44	45.66	46.92	48.21	49.54	50.90	52.30	53.74	55.22	57.98	60.88	63.92
435	478	**16**	45.88	47.14	48.44	49.77	51.14	52.55	54.00	55.49	57.02	58.59	60.20	63.21	66.38	69.70
479	575	**17**	50.01	51.39	52.80	54.25	55.74	57.27	58.84	60.46	62.12	63.83	65.59	68.86	72.31	75.92
576	691	**18**	54.51	56.01	57.55	59.13	60.76	62.43	64.15	65.91	67.72	69.58	71.49	75.07	78.82	82.77
692	831	**19**	59.41	61.04	62.72	64.44	66.21	68.03	69.90	71.82	73.80	75.83	77.92	81.81	85.90	**

** N/A - In excess of statutory compensation limitations

Conclusion

Table 5 – Position Point & Grade Assignment with Minimum, Midpoint, Standard Maximum and Bonus Maximum Salary

					2020 Proposed PLUS 2.75% COLA for 2021			
			New	2021	Standard Min Step	Standard Midpoint	Standard Max Step	Bonus Max Step
Position	Department	Points	Grade	Current Rate	1	6	11	14
Custodian	General / Multidepartment	81	6	$ -	$ 19.37	$ 22.18	$ 25.40	$ 29.41
Maintenance Worker-Parks	Public Works - Parks	127	8	$ 26.36	$ 23.02	$ 26.37	$ 30.22	$ 34.98
Clerk/Receptionist	Administration	129	8	$ 27.08	$ 23.02	$ 26.37	$ 30.22	$ 34.98
Customer Service/Accounting Clerk	Administration	129	8	$ -	$ 23.02	$ 26.37	$ 30.22	$ 34.98
Police Clerk-Typist	Police	129	8	$ 24.97	$ 23.02	$ 26.37	$ 30.22	$ 34.98
Accounting Technician	Administration	157	9	$ 32.13	$ 25.09	$ 28.74	$ 32.91	$ 38.10
Planning Technician	Planning & Building Inspections	164	9	$ 32.13	$ 25.09	$ 28.74	$ 32.91	$ 38.10
Police Records Technician	Police	164	9	$ 23.64	$ 25.09	$ 28.74	$ 32.91	$ 38.10
Utility Billing Clerk	Administration	164	9	$ 28.71	$ 25.09	$ 28.74	$ 32.91	$ 38.10
Purchasing/Inventory Clerk	General / Multidepartment	168	9	$ 30.43	$ 25.09	$ 28.74	$ 32.91	$ 38.10
Maintenance Worker-Street	Public Works - Street	170	9	$ 31.13	$ 25.09	$ 28.74	$ 32.91	$ 38.10
Administrative Coordinator	Administration	172	10	$ 28.71	$ 27.35	$ 31.32	$ 35.86	$ 41.51
Maintenance Worker/Water Operator	General / Multidepartment	183	10	$ 34.05	$ 27.35	$ 31.32	$ 35.86	$ 41.51
Golf Mechanic	Golf Club	187	10	$ 32.25	$ 27.35	$ 31.32	$ 35.86	$ 41.51
Wastewater Operator I	Public Works - Wastewater	190	10	$ 30.56	$ 27.35	$ 31.32	$ 35.86	$ 41.51
Water Operator	Electric & Water	190	10	$ 32.25	$ 27.35	$ 31.32	$ 35.86	$ 41.51
Generation Operator	Electric & Water	210	11	$ 34.05	$ 29.82	$ 34.15	$ 39.11	$ 45.27
Apprentice Lineman	Electric & Water	212	11	$ 32.39	$ 29.82	$ 34.15	$ 39.11	$ 45.27
Wastewater Operator II	Public Works - Wastewater	215	11	$ 33.82	$ 29.82	$ 34.15	$ 39.11	$ 45.27
Public Works Supervisor-Street	Public Works - Street	217	12	$ 36.10	$ 32.50	$ 37.22	$ 42.62	$ 49.34
Building Inspector	Planning & Building Inspections	231	12	$ 34.33	$ 32.50	$ 37.22	$ 42.62	$ 49.34
Parks Maintenance Supervisor	Public Works - Parks	245	12	$ 38.26	$ 32.50	$ 37.22	$ 42.62	$ 49.34
Generation Supervisor	Electric & Water	249	12	$ 38.26	$ 32.50	$ 37.22	$ 42.62	$ 49.34
Assistant Superintendent-Wastewater	Public Works - Wastewater	280	13	$ -	$ 35.43	$ 40.58	$ 46.48	$ 53.81
Water Supervisor	Electric & Water	280	13	$ 38.26	$ 35.43	$ 40.58	$ 46.48	$ 53.81
Golf Superintendent	Golf Club	280	13	$ 40.56	$ 35.43	$ 40.58	$ 46.48	$ 53.81
Journeyman Lineman	Electric & Water	290	13	$ 42.99	$ 35.43	$ 40.58	$ 46.48	$ 53.81
Superintendent-Wastewater	Public Works - Wastewater	316	14	$ 44.36	$ 38.61	$ 44.21	$ 50.64	$ 58.62
Distribution Supervisor	Electric & Water	368	14	$ -	$ 38.61	$ 44.21	$ 50.64	$ 58.62
Building Official/Fire Marshall	Planning & Building Inspections	383	14	$ 45.57	$ 38.61	$ 44.21	$ 50.64	$ 58.62
Electric Operations Supervisor	Electric & Water	430	15	$ 49.83	$ 42.09	$ 48.21	$ 55.22	$ 63.92
Planning/Community Development Director	Planning & Building Inspections	456	16	$ 51.21	$ 45.88	$ 52.55	$ 60.20	$ 69.70
Public Works Director	Public Works	470	16	$ 54.28	$ 45.88	$ 52.55	$ 60.20	$ 69.70
General Manager	Electric & Water	480	17	$ 57.54	$ 50.01	$ 57.27	$ 65.59	$ 75.92
Chief of Police/Emergency Management Director	Police	490	17	$ 56.00	$ 50.01	$ 57.27	$ 65.59	$ 75.92
Finance Director	Administration	500	17	$ 54.28	$ 50.01	$ 57.27	$ 65.59	$ 75.92
City Administrator	Administration	716	19	$ 64.65	$ 59.41	$ 68.03	$ 77.92	$ 85.90

When comparing the proposed step and grade scale to the current pay structure, the proposed scale incorporates five (5) additional steps, including the Bonus Scale, within each grade to provide more upward wage opportunity while still aligning within market and budget considerations. The proposed compensation model also has two (2) additional grade levels compared to the existing scale and the range between grades has gone from a 6.00% increase to a 9.00% change. These changes provide additional incentive for employees who are promoted into new positions to have future advancement opportunity within the standard scale.

It is important to note that police department positions are represented by unions and would not be subject to the proposed compensation model if implemented for 2021. The information provided, however, should be useful when evaluating the marketability of current union contract negotiations and agreements.

If the City of New Prague proceeds with implementing a more performance driven step increase award program, leaving the Bonus Scale maximum pay step slightly above market averages should assist in retaining and motivating key performers and the talent necessary to guide the City through future growth, particularly in the Electric Utilities department.

In light of our comprehensive study, our recommendation would be as follows:

- Adopt the proposed step and grade plan, including the 2021 COLA scale adjustment of 2.75%, effective at a specified date in 2021, moving each individual employee to the next salary step, without a decrease in salary, and
- Utilize the step and grade scale to calculate and apply all future annual approved cost of living increases (COLA) for all positions; and
- Utilize the step and grade scale to calculate and consistently apply all future longevity based step increases (above cost of living amounts); and

- Consider consolidating the Apprentice Lineman and Journeyman Lineman positions into a single "Lineworker" position to minimize overlap and inconsistencies in step increase awards for these employees during the progressive licensure process and over time.
- Due to the rapid market wage increase progression for the Electric Apprentice and Journeyman Lineman positions, both as a result of competition/demand as well as the ongoing licensure progression, consider developing a documented policy allowing for semi-annual step increase eligibility for these specific positions. Doing so should assist with effective retention in these skilled, licensed and hard to fill positions
- If the City elects to approve the implementation of the Bonus Performance Steps, develop and document a consistent and intentional performance management program and methodology. Doing so will provide greater clarity and guidance to City Council members, leadership, and employees related to when and how these increases are applicable and how they cane approved and applied going forward.
- It should also be noted that, if there were ever an instance that an employee were awarded a wage above their appropriate grade maximum step, the City should consider implementing a formal and documented longevity plan that meets the definition of exceptional service pay to accommodate these types of pay scale exceptions.

Pay Equity Compliance

The existing pay scale for the City of New Prague was tested in the Minnesota Pay Equity Compliance system and was found to be in compliance. The reports generated from the test have been included in **Appendix A** of the report

The proposed scale has also been tested in the Minnesota Pay Equity Compliance system and was found to be in compliance. The reports generated form the test have been included in **Appendix B** of the report. In addition, **Appendix C** includes a publication from the State of Minnesota providing guidance on interpreting and understanding the Minnesota Pay Equity System.

Implementation

The next step in this process is to consider implementation of the Compensation System. Before moving to this step there are several questions the Council will want to consider.

- Should the City adopt a new step and grade plan, including updated job descriptions and position point assignments for existing positions?
- What is the overall cost of implementation, assuming employees would move to the step and grade program and are placed at the step closest to, but not below, their current salary?
- If adopted, how will the existing collective bargaining agreement for the LELS align with the plan, if at all?
- Because the proposed compensation plan is based on 2020 wage data, will the City adopt the plan and apply a Cost of Living Adjustment (COLA) of 2.75% effective January 1, 2021, to ensure that the wage ranges remain in line with the market?
- Does the City's current performance management process provide clear guidance to employees and supervisors as to how and when Bonus Step increases could be awarded? Is the current process what the City hopes to use going forward or are changes in philosophy and/or format expected?

If adopted, the proposed step and grade program would place employees at the step that is closest to their current salary, without a decrease in salary, and assumes that employees that are currently being compensated above the proposed wage scale would remain at their current rate of pay. Costs of adopting the proposed program, evaluated for each individual employee, including all union represented positions, with general increase and COLA variables, are:

Estimated Current 2021 Gross Payroll	Cost to Implement 2020 Proposed Step/Grade with 2.75% COLA	
$ 3,887,200.00	**$ 3,952,300.00**	
	$ 65,100.00	**Increase over 2021 current**
	1.67%	**Increase over 2021 current**

Closing

Should the City decide to move to the new step and grade plan, we recommend approval at a regular meeting of the City Council.

AEM Workforce Solutions, LLC would like to thank the City of New Prague for the opportunity to prepare and present this Position Classification and Compensation Analysis. We would especially like to thank the leadership team for their assistance in providing the necessary data to conduct the study.

Appendix A

MANAGEMENT AND BUDGET

Compliance Report

Jurisdiction: New Prague
118 Central Avenue North

New Prague, MN 56071

Report Year: 2023
Case: 1 - 2020 - Current Scale (Private (Jur Only))

Contact: Patty Solheid Phone: (952) 758-1133 E-Mail: psolheid@ci.new-prague.mn.us

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 Guide to Pay Equity Compliance and Computer Reports.

I. GENERAL JOB CLASS INFORMATION

	Male Classes	Female Classes	Balanced Classes	All Job Classes
# Job Classes	25	9	1	35
# Employees	34	9	8	51
Avg. Max Monthly Pay per employee	6723.56	5568.04		6477.49

II. STATISTICAL ANALYSIS TEST

A. Underpayment Ratio = 132 *

	Male Classes	Female Classes
a. # At or above Predicted Pay	14	6
b. # Below Predicted Pay	11	3
c. TOTAL	25	9
d. % Below Predicted Pay (b divided by c = d)	44.00	33.33

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

B. T-test Results

Degrees of Freedom (DF) = 41 Value of T = -0.974

a. Avg. diff. in pay from predicted pay for male jobs = 14

b. Avg. diff. in pay from predicted pay for female jobs = 68

III. SALARY RANGE TEST = 100.00 (Result is A divided by B)

A. Avg. # of years to max salary for male jobs = 8.00

B. Avg. # of years to max salary for female jobs = 8.00

IV. EXCEPTIONAL SERVICE PAY TEST = 0.00 (Result is B divided by A)

A. % of male classes receiving ESP = 0.00 *

B. % of female classes receiving ESP = 0.00

*(If 20% or less, test result will be 0.00)

MANAGEMENT AND BUDGET

Job Class Data Entry Verification List

Case: 2020 - Current Scale | New Prague | LGID: 861

Job Nbr	Class Title	Nbr Males	Nbr Females	Non-Binary	Class Type	Jobs Points	Min Mo Salary	Max Mo Salary	Yrs to Max Salary	Yrs of Service	Exceptional Service Pay
31	Clerk/Receptionist	0	1	0	F	111	3882.21	4822.91	8.00	0.00	
15	Police Clerk-Typist	0	1	0	F	113	3882.21	4822.91	8.00	0.00	
30	Maintenance Worker-Parks	1	0	0	M	123	3882.21	4822.91	8.00	0.00	
34	Utility Billing Clerk	0	1	0	F	136	4115.14	5113.24	8.00	0.00	
9	Administrative Coordinator	0	1	0	F	151	4115.14	5113.24	8.00	0.00	
16	Planning Technician	0	1	0	F	158	4362.05	5420.03	8.00	0.00	
1	Accounting Technician	0	1	0	F	163	4362.05	5420.03	8.00	0.00	
6	Police Records Technician	0	1	0	F	166	3882.21	4822.91	8.00	0.00	
28	Maintenance Worker-Street	5	0	0	M	180	4362.05	5420.03	8.00	0.00	
25	Purchasing/Inventory Clerk	0	1	0	F	181	4362.05	5420.03	8.00	0.00	
32	Water Operator	1	0	0	M	188	4623.78	5744.16	8.00	0.00	
29	Generation Operator	3	0	0	M	190	4623.78	5744.16	8.00	0.00	
22	Maintenance Worker/Water Opera	1	0	0	M	195	4623.78	5744.16	8.00	0.00	
23	Wastewater Operator I	1	0	0	M	200	4623.78	5744.16	8.00	0.00	
2	Golf Mechanic	1	0	0	M	208	4623.78	5744.16	8.00	0.00	
14	Apprentice Lineman	2	0	0	M	218	4901.20	6088.81	8.00	0.00	
21	Wastewater Operator II	2	0	0	M	225	4901.20	6088.81	8.00	0.00	
26	Public Works Supervisor-Street	1	0	0	M	240	4901.20	6088.81	8.00	0.00	
27	Generation Supervisor	1	0	0	M	248	5195.27	6454.13	8.00	0.00	
19	Parks Maintenance Supervisor	1	0	0	M	248	5195.27	6454.13	8.00	0.00	
35	Water Supervisor	1	0	0	M	250	5195.27	6454.13	8.00	0.00	
17	Police Officer	5	3	0	B	263	5182.57	6454.81	8.00	0.00	
4	Building Inspector	1	0	0	M	265	5195.27	6454.13	8.00	0.00	
13	Golf Superintendent	1	0	0	M	310	5506.99	6841.38	8.00	0.00	
18	Journeyman Lineman	2	0	0	M	330	5837.41	7251.86	8.00	0.00	
12	Police Sergeant	1	0	0	M	368	6187.88	7687.19	8.00	0.00	
33	Superintendent-Wastewater	1	0	0	M	370	6187.65	7686.98	8.00	0.00	
3	Building Official/Fire Marshal	1	0	0	M	395	6187.65	7686.98	8.00	0.00	
8	Distribution Supervisor	1	0	0	M	396	6187.65	7686.98	8.00	0.00	
20	Planning/Community Development	1	0	0	M	495	6952.45	8638.77	8.00	0.00	
11	Finance Director	0	1	0	F	510	7369.59	9157.09	8.00	0.00	17
24	Public Works Director	1	0	0	M	530	7369.59	9157.09	8.00	0.00	

MANAGEMENT AND BUDGET

Job Class Data Entry Verification List

Case: 2020 - Current Scale | New Prague | LGID: 861

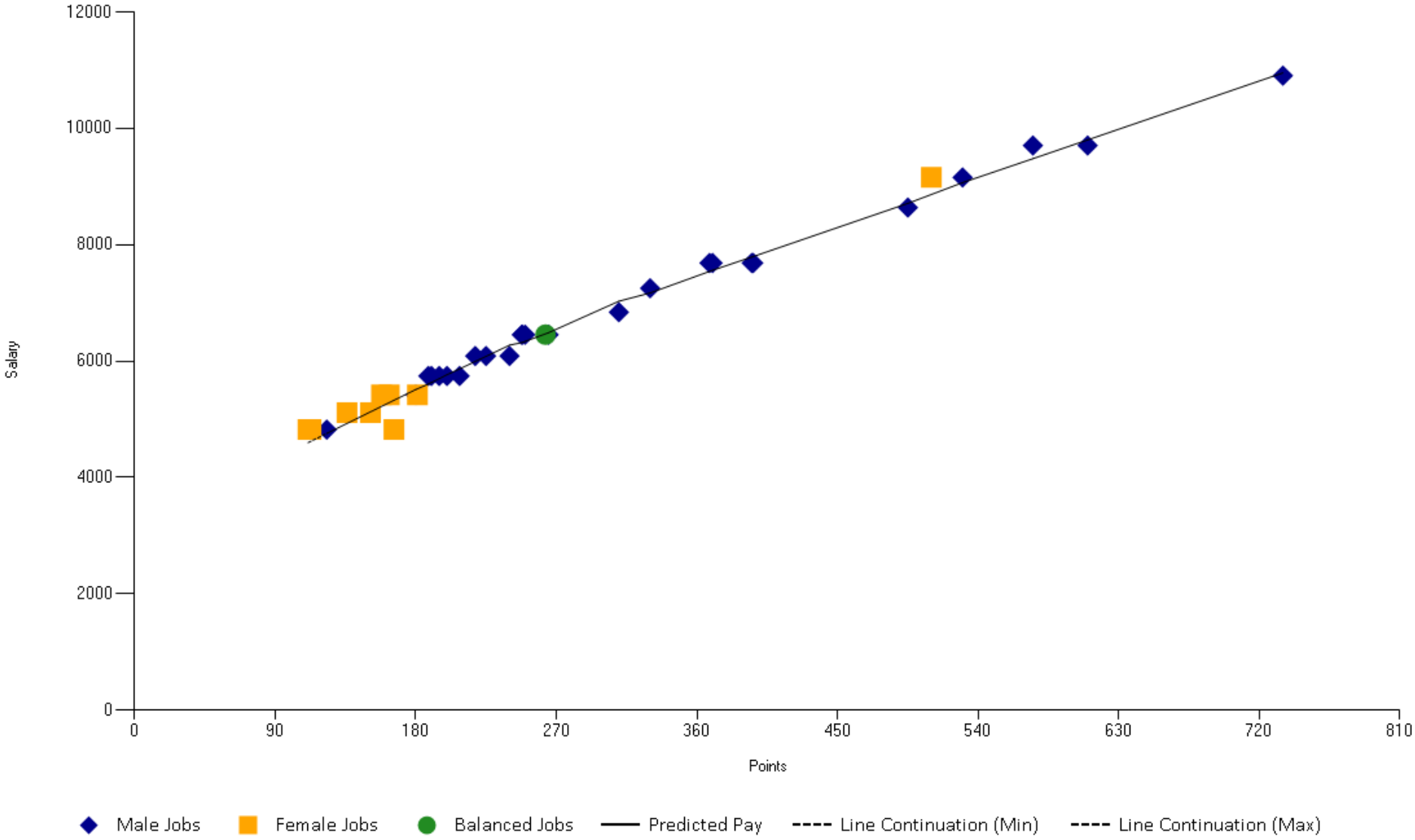
Job Nbr	Class Title	Nbr Males	Nbr Females	Non-Binary	Class Type	Jobs Points	Min Mo Salary	Max Mo Salary	Yrs to Max Salary	Yrs of Service	Exceptional Service Pay
10	General Manager	1	0	0	M	575	7811.77	9706.52	8.00	0.00	
5	Chief of Police/Emergency Mana	1	0	0	M	610	7811.77	9706.52	8.00	0.00	
7	City Administrator	1	0	0	M	735	8760.10	10906.24	8.00	0.00	

Job Number Count: 35

MANAGEMENT AND BUDGET

Predicted Pay Report for: New Prague

Case: 2020 - Current Scale



MANAGEMENT AND BUDGET

Predicted Pay Report for: New Prague

Case: 2020 - Current Scale

Job Nbr	Job Title	Nbr Males	Nbr Females	Non-Binary	Total Nbr	Job Type	Job Points	Max Mo Salary	Predicted Pay	Pay Difference
31	Clerk/Receptionist	0	1	0	1	Female	111	4822.9100	4597.9408	224.9692
15	Police Clerk-Typist	0	1	0	1	Female	113	4822.9100	4624.4004	198.5096
30	Maintenance Worker-Parks	1	0	0	1	Male	123	4822.9100	4756.6982	66.2118
34	Utility Billing Clerk	0	1	0	1	Female	136	5113.2400	4929.0989	184.1411
9	Administrative Coordinator	0	1	0	1	Female	151	5113.2400	5127.9591	-14.7191
16	Planning Technician	0	1	0	1	Female	158	5420.0300	5220.5676	199.4624
1	Accounting Technician	0	1	0	1	Female	163	5420.0300	5286.7165	133.3135
6	Police Records Technician	0	1	0	1	Female	166	4822.9100	5326.4059	-503.4959
28	Maintenance Worker-Street	5	0	0	5	Male	180	5420.0300	5512.7117	-92.6817
25	Purchasing/Inventory Clerk	0	1	0	1	Female	181	5420.0300	5525.0895	-105.0595
32	Water Operator	1	0	0	1	Male	188	5744.1600	5605.0085	139.1515
29	Generation Operator	3	0	0	3	Male	190	5744.1600	5632.2554	111.9046
22	Maintenance Worker/Water Opera	1	0	0	1	Male	195	5744.1600	5699.3249	44.8351
23	Wastewater Operator I	1	0	0	1	Male	200	5744.1600	5766.3944	-22.2344
2	Golf Mechanic	1	0	0	1	Male	208	5744.1600	5865.8358	-121.6758
14	Apprentice Lineman	2	0	0	2	Male	218	6088.8100	5993.7364	95.0736
21	Wastewater Operator II	2	0	0	2	Male	225	6088.8100	6082.9878	5.8222
26	Public Works Supervisor-Street	1	0	0	1	Male	240	6088.8100	6274.6394	-185.8294
27	Generation Supervisor	1	0	0	1	Male	248	6454.1300	6319.0986	135.0314
19	Parks Maintenance Supervisor	1	0	0	1	Male	248	6454.1300	6319.0986	135.0314
35	Water Supervisor	1	0	0	1	Male	250	6454.1300	6339.2201	114.9099
17	Police Officer	5	3	0	8	Balanced	263	6454.8100	6469.8237	-15.0137
4	Building Inspector	1	0	0	1	Male	265	6454.1300	6489.3129	-35.1829
13	Golf Superintendent	1	0	0	1	Male	310	6841.3800	7030.1404	-188.7604
18	Journeyman Lineman	2	0	0	2	Male	330	7251.8600	7171.5443	80.3157
12	Police Sergeant	1	0	0	1	Male	368	7687.1900	7542.4497	144.7403
33	Superintendent-Wastewater	1	0	0	1	Male	370	7686.9800	7560.6963	126.2837
3	Building Official/Fire Marshal	1	0	0	1	Male	395	7686.9800	7789.0633	-102.0833
8	Distribution Supervisor	1	0	0	1	Male	396	7686.9800	7798.1866	-111.2066
20	Planning/Community Development	1	0	0	1	Male	495	8638.7700	8711.2313	-72.4613
11	Finance Director	0	1	0	1	Female	510	9157.0900	8863.8893	293.2007
24	Public Works Director	1	0	0	1	Male	530	9157.0900	9067.3275	89.7625

MANAGEMENT AND BUDGET

Predicted Pay Report for: New Prague

Case: 2020 - Current Scale

Job Nbr	Job Title	Nbr Males	Nbr Females	Non-Binary	Total Nbr	Job Type	Job Points	Max Mo Salary	Predicted Pay	Pay Difference
10	General Manager	1	0	0	1	Male	575	9706.5200	9480.1100	226.4100
5	Chief of Police/Emergency Mana	1	0	0	1	Male	610	9706.5200	9802.6367	-96.1167
7	City Administrator	1	0	0	1	Male	735	10906.2400	10954.4767	-48.2367

Job Number Count: 35

Appendix B

MANAGEMENT AND BUDGET

Compliance Report

Jurisdiction: New Prague
118 Central Avenue North

New Prague, MN 56071

Report Year: 2023
Case: 2 - 2021 - Proposed Scale (Private (Jur Only))

Contact: Patty Solheid Phone: (952) 758-1133 E-Mail: psolheid@ci.new-prague.mn.us

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 Guide to Pay Equity Compliance and Computer Reports.

I. GENERAL JOB CLASS INFORMATION

	Male Classes	Female Classes	Balanced Classes	All Job Classes
# Job Classes	25	9	1	35
# Employees	34	9	8	51
Avg. Max Monthly Pay per employee	7640.44	6286.87		7215.59

II. STATISTICAL ANALYSIS TEST

A. Underpayment Ratio = 360 *

	Male Classes	Female Classes
a. # At or above Predicted Pay	15	8
b. # Below Predicted Pay	10	1
c. TOTAL	25	9
d. % Below Predicted Pay (b divided by c = d)	40.00	11.11

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

B. T-test Results

Degrees of Freedom (DF) = 41 Value of T = -1.738

a. Avg. diff. in pay from predicted pay for male jobs = 6

b. Avg. diff. in pay from predicted pay for female jobs = 211

III. SALARY RANGE TEST = 99.20 (Result is A divided by B)

A. Avg. # of years to max salary for male jobs = 9.92

B. Avg. # of years to max salary for female jobs = 10.00

IV. EXCEPTIONAL SERVICE PAY TEST = 0.00 (Result is B divided by A)

A. % of male classes receiving ESP = 0.00 *

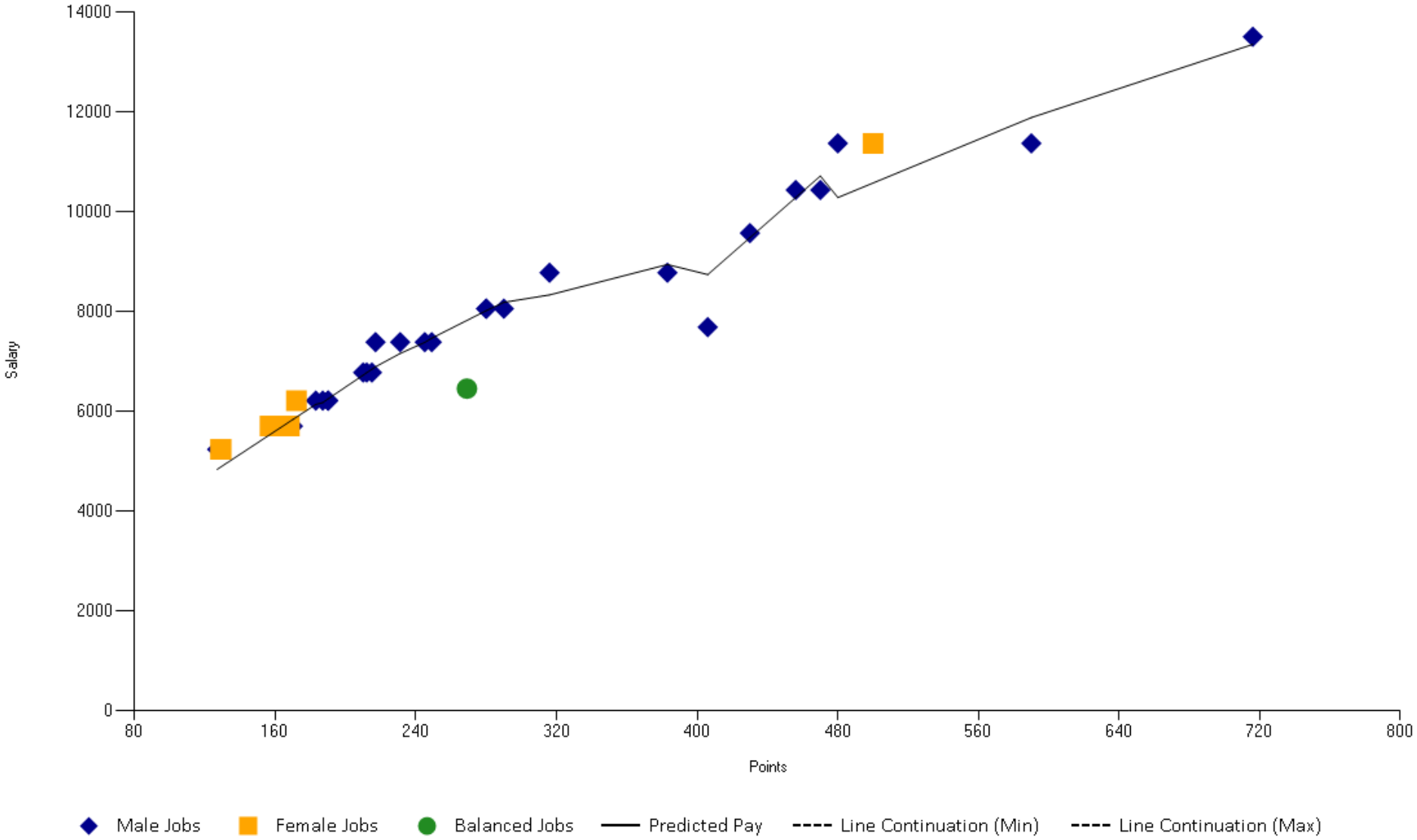
B. % of female classes receiving ESP = 0.00

*(If 20% or less, test result will be 0.00)

MANAGEMENT AND BUDGET

Predicted Pay Report for: New Prague

Case: 2021 - Proposed Scale



MANAGEMENT AND BUDGET

Predicted Pay Report for: New Prague

Case: 2021 - Proposed Scale

Job Nbr	Job Title	Nbr Males	Nbr Females	Non-Binary	Total Nbr	Job Type	Job Points	Max Mo Salary	Predicted Pay	Pay Difference
1	Maintenance Worker-Parks	1	0	0	1	Male	127	5238.0300	4839.3813	398.6487
2	Police Clerk-Typist	0	1	0	1	Female	129	5238.0300	4885.1528	352.8772
3	Clerk/Receptionist	0	1	0	1	Female	129	5238.0300	4885.1528	352.8772
4	Accounting Technician	0	1	0	1	Female	157	5704.2900	5534.8337	169.4563
5	Police Records Technician	0	1	0	1	Female	164	5704.2900	5697.4247	6.8653
6	Planning Technician	0	1	0	1	Female	164	5704.2900	5697.4247	6.8653
7	Utility Billing Clerk	0	1	0	1	Female	164	5704.2900	5697.4247	6.8653
8	Purchasing/Inventory Clerk	0	1	0	1	Female	168	5704.2900	5790.3338	-86.0438
9	Maintenance Worker-Street	5	0	0	5	Male	170	5704.2900	5836.7884	-132.4984
10	Administrative Coordinator	0	1	0	1	Female	172	6215.6100	5883.2430	332.3670
11	Maintenance Worker/Water Opera	1	0	0	1	Male	183	6215.6100	6138.0600	77.5500
13	Golf Mechanic	1	0	0	1	Male	187	6215.6100	6175.2009	40.4091
14	Wastewater Operator I	1	0	0	1	Male	190	6215.6100	6251.2130	-35.6030
15	Water Operator	1	0	0	1	Male	190	6215.6100	6251.2130	-35.6030
12	Generation Operator	3	0	0	3	Male	210	6778.9400	6726.8899	52.0501
16	Apprentice Lineman	2	0	0	2	Male	212	6778.9400	6774.6873	4.2527
17	Wastewater Operator II	2	0	0	2	Male	215	6778.9400	6846.3834	-67.4434
18	Public Works Supervisor-Street	1	0	0	1	Male	217	7387.3200	6894.1808	493.1392
19	Building Inspector	1	0	0	1	Male	231	7387.3200	7159.7293	227.5907
20	Parks Maintenance Supervisor	1	0	0	1	Male	245	7387.3200	7381.3727	5.9473
21	Generation Supervisor	1	0	0	1	Male	249	7387.3200	7467.0109	-79.6909
22	Police Officer	5	3	0	8	Balanced	269	6454.8100	7832.1543	-1377.3443
23	Golf Superintendent	1	0	0	1	Male	280	8056.3800	8017.7618	38.6182
24	Water Supervisor	1	0	0	1	Male	280	8056.3800	8017.7618	38.6182
25	Journeyman Lineman	2	0	0	2	Male	290	8056.3800	8183.8494	-127.4694
26	Superintendent-Wastewater	1	0	0	1	Male	316	8777.4300	8333.3272	444.1028
27	Building Official/Fire Marshal	1	0	0	1	Male	383	8777.4300	8942.2132	-164.7832
28	Police Sergeant	1	0	0	1	Male	406	7687.1900	8739.6548	-1052.4648
29	Electric Operations Supervisor	1	0	0	1	Male	430	9571.2800	9480.7005	90.5795
30	Planning/Community Development	1	0	0	1	Male	456	10434.4700	10283.5758	150.8942
31	Public Works Director	1	0	0	1	Male	470	10434.4700	10715.4735	-281.0035
32	General Manager	1	0	0	1	Male	480	11368.7100	10284.2543	1084.4557

MANAGEMENT AND BUDGET

Predicted Pay Report for: New Prague

Case: 2021 - Proposed Scale

Job Nbr	Job Title	Nbr Males	Nbr Females	Non-Binary	Total Nbr	Job Type	Job Points	Max Mo Salary	Predicted Pay	Pay Difference
33	Finance Director	0	1	0	1	Female	500	11368.7100	10607.9022	760.8078
34	Chief of Police/Emergency Mana	1	0	0	1	Male	590	11368.7100	11885.7720	-517.0620
35	City Administrator	1	0	0	1	Male	716	13505.8700	13352.1455	153.7245

Job Number Count: 35

MANAGEMENT AND BUDGET

Job Class Data Entry Verification List

Case: 2021 - Proposed Scale | New Prague | LGID: 861

Job Nbr	Class Title	Nbr Males	Nbr Females	Non-Binary	Class Type	Jobs Points	Min Mo Salary	Max Mo Salary	Yrs to Max Salary	Yrs of Service	Exceptional Service Pay
1	Maintenance Worker-Parks	1	0	0	M	127	3990.06	5238.03	10.00	0.00	
2	Police Clerk-Typist	0	1	0	F	129	3990.06	5238.03	10.00	0.00	
3	Clerk/Receptionist	0	1	0	F	129	3990.06	5238.03	10.00	0.00	
4	Accounting Technician	0	1	0	F	157	4348.85	5704.29	10.00	0.00	
5	Police Records Technician	0	1	0	F	164	4348.85	5704.29	10.00	0.00	
6	Planning Technician	0	1	0	F	164	4348.85	5704.29	10.00	0.00	
7	Utility Billing Clerk	0	1	0	F	164	4348.85	5704.29	10.00	0.00	
8	Purchasing/Inventory Clerk	0	1	0	F	168	4348.85	5704.29	10.00	0.00	
9	Maintenance Worker-Street	5	0	0	M	170	4348.85	5704.29	10.00	0.00	
10	Administrative Coordinator	0	1	0	F	172	4740.58	6215.61	10.00	0.00	
11	Maintenance Worker/Water Opera	1	0	0	M	183	4740.58	6215.61	10.00	0.00	
13	Golf Mechanic	1	0	0	M	187	4740.58	6215.61	10.00	0.00	
14	Wastewater Operator I	1	0	0	M	190	4740.58	6215.61	10.00	0.00	
15	Water Operator	1	0	0	M	190	4740.58	6215.61	10.00	0.00	
12	Generation Operator	3	0	0	M	210	5168.70	6778.94	10.00	0.00	
16	Apprentice Lineman	2	0	0	M	212	5168.70	6778.94	10.00	0.00	
17	Wastewater Operator II	2	0	0	M	215	5168.70	6778.94	10.00	0.00	
18	Public Works Supervisor-Street	1	0	0	M	217	5633.23	7387.32	10.00	0.00	
19	Building Inspector	1	0	0	M	231	5633.23	7387.32	10.00	0.00	
20	Parks Maintenance Supervisor	1	0	0	M	245	5633.23	7387.32	10.00	0.00	
21	Generation Supervisor	1	0	0	M	249	5633.23	7387.32	10.00	0.00	
22	Police Officer	5	3	0	B	269	5182.57	6454.81	8.00	0.00	
23	Golf Superintendent	1	0	0	M	280	6141.08	8056.38	10.00	0.00	
24	Water Supervisor	1	0	0	M	280	6141.08	8056.38	10.00	0.00	
25	Journeyman Lineman	2	0	0	M	290	6141.08	8056.38	10.00	0.00	
26	Superintendent-Wastewater	1	0	0	M	316	6692.27	8777.43	10.00	0.00	
27	Building Official/Fire Marshal	1	0	0	M	383	6692.27	8777.43	10.00	0.00	
28	Police Sergeant	1	0	0	M	406	6187.88	7687.19	8.00	0.00	
29	Electric Operations Supervisor	1	0	0	M	430	7295.46	9571.28	10.00	0.00	
30	Planning/Community Development	1	0	0	M	456	7952.38	10434.47	10.00	0.00	
31	Public Works Director	1	0	0	M	470	7952.38	10434.47	10.00	0.00	27
32	General Manager	1	0	0	M	480	8668.23	11368.71	10.00	0.00	

MANAGEMENT AND BUDGET

Job Class Data Entry Verification List

Case: 2021 - Proposed Scale | New Prague | LGID: 861

Job Nbr	Class Title	Nbr Males	Nbr Females	Non-Binary	Class Type	Jobs Points	Min Mo Salary	Max Mo Salary	Yrs to Max Salary	Yrs of Service	Exceptional Service Pay
33	Finance Director	0	1	0	F	500	8668.23	11368.71	10.00	0.00	
34	Chief of Police/Emergency Mana	1	0	0	M	590	8668.23	11368.71	10.00	0.00	
35	City Administrator	1	0	0	M	716	10297.54	13505.87	10.00	0.00	

Job Number Count: 35

Appendix C

Your jurisdiction is required to pass four tests to be in compliance.

1. Completeness and Accuracy Test

Report is submitted on time
Data is correct
Required information has been provided
For more information, refer to the Guide to Understanding Pay Equity Compliance

2. Statistical or Alternative Test

Compares salary data to determine if female classes are paid consistently below male classes of comparable work value (job points). The Minnesota Pay Equity Management System will generate results applying the Statistical Analysis Test. Underpayment ratio results of 80 and above are passing. In some cases, the Alternative Analysis is required and consists of a manual review of the data. Refer to the following page to determine which test applies to your report. For more information, refer to the Guide to Understanding Pay Equity Compliance.

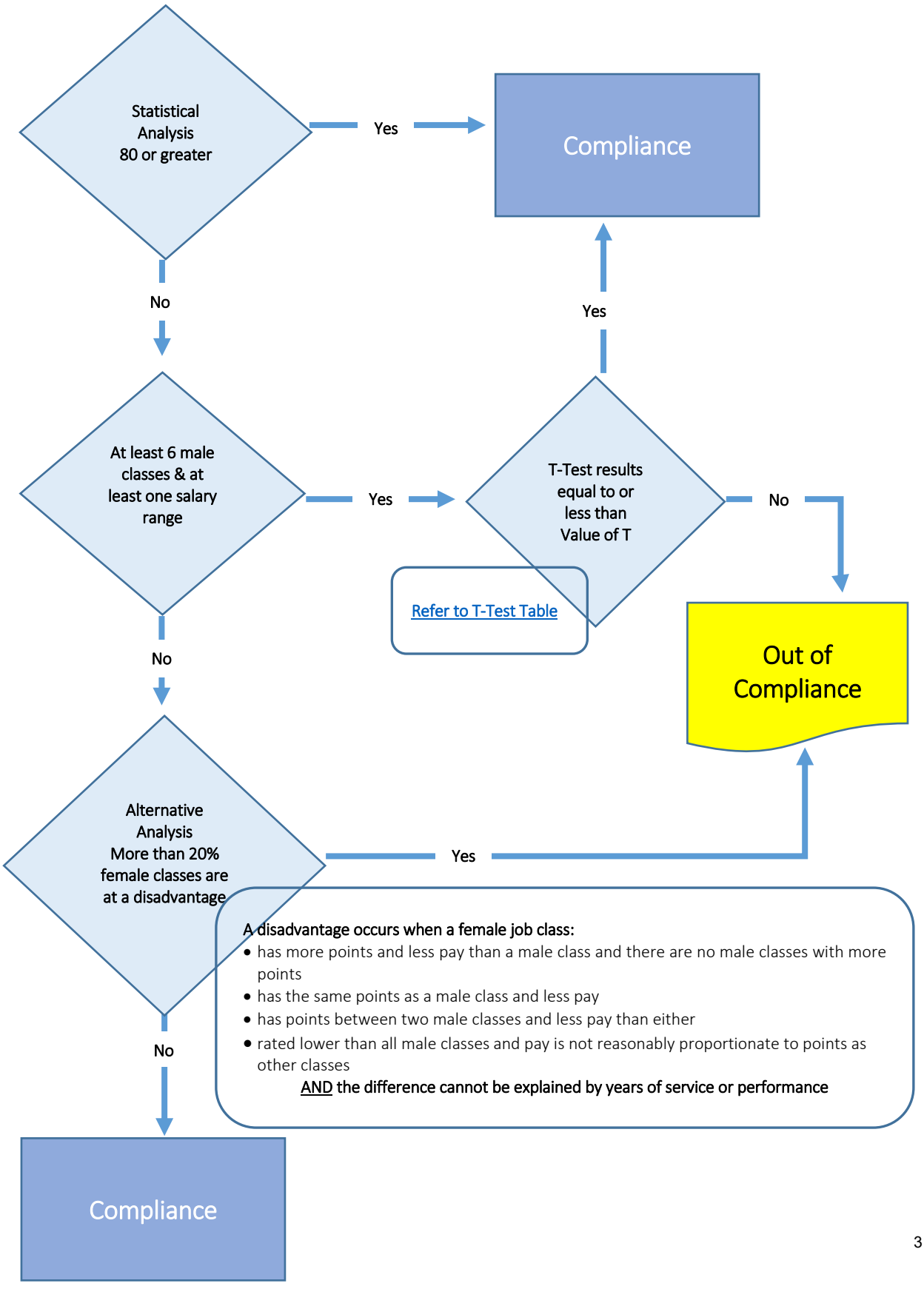
3. Salary Range Test

Compares the average number of years required for female classes to move through a salary range consisting of a time-phased step progression to the average number of years required for male classes. Results of 0 or 80 and above are passing scores. (Test does not apply if years to achieve maximum salary are not defined or if salary ranges are not defined). For more information, refer to the Guide to Understanding Pay Equity Compliance.

4. Exceptional Service Pay Test

Compares the percentage of female classes receiving longevity or performance pay to the percentage of male classes receiving longevity or performance pay. In noting exceptional service pay, recipients must exceed the maximum salary reported. Results of 0 or 80 and above are passing scores. (Test does not apply if exceptional service pay is not available in your jurisdiction). For more information, refer to the Guide to Understanding Pay Equity Compliance.

When to use Statistical and Alternative Analysis Tests



Guide to Understanding Pay Equity Compliance

Pay Equity Office
Minnesota Management & Budget
400 Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

Local Government Pay Equity Webpage

Table of Contents

Guide to Understanding Pay Equity Compliance 1

Tests for Compliance 2

Compliance Report 3

Statistical Analysis 6

Method Used for Predicted Pay Calculation 8

Alternative Analysis Test 12

Salary Range Test 16

Exceptional Service Pay Test 17

Guide to Understanding Pay Equity Compliance

This booklet gives a general overview of how data from the local government reports is analyzed and how the tests for compliance are conducted. Complete details of compliance requirements are in Minnesota Rules Chapter 3920.

This booklet also describes the computer software developed by MMB. This software calculates several of the tests for compliance and the reports produced by the software are explained on pages three through five.

Tests for Compliance

1. **Completeness and Accuracy Test -** determines whether jurisdictions have filed reports on time, included correct data and supplied all required information.

2. **Statistical Analysis Test -** described on pages three through five, compares salary data to determine if female classes are paid consistently below male classes of comparable work value (job points). MMB has developed software that calculates the results for this test. This test is generally applied to larger jurisdictions. For smaller jurisdictions, the alternative analysis is used.

3. **Alternative Analysis Test -** described on pages 14 through 17, compares salary data to determine if female classes are paid below male classes even though the female classes have similar or greater work value (job points). The software is not used for this test.

4. **Salary Range Test -** described on page 18, compares the average number of years it takes for individuals to move through salary ranges established for female classes compared to male classes. This test only applies to jurisdictions that have a system where there is an established number of years to move through salary ranges.

5. **Exceptional Service Pay Test -** described on page 19, compares how often individuals in male classes receive longevity or performance pay above the normal salary range compared to how often individuals in female classes receive this type of pay. This test applies only to jurisdictions that have a system that includes exceptional service pay.

Determining Whether the Alternative or Statistical Analysis Will Be Used

1. **Alternative analysis - jurisdiction has:**

   - Three or fewer male classes.

     NOTE: Jurisdictions with three or fewer male classes may want to skip over the information on pages two through seven describing the statistical analysis and computer reports.

2. **Statistical analysis - jurisdiction has:**

   - Six or more male classes and at least one class with an established salary range, or

   - Four or five male classes and an underpayment ratio of 80% or more. May or may not have classes with an established salary range.

3. **Start in statistical analysis but go to alternative analysis - jurisdiction has:**

   - Four or five male classes and an underpayment ratio below 80%, or

   - An underpayment ratio below 80%, six or more male classes, but no classes with a salary range.

Explanation of Computer Reports

Information contained in the next few pages is intended to explain the three reports produced by the Pay Equity Management System Software. Look at the sample reports as you read the following explanations. Each numbered explanation corresponds to a shaded number on the examples on pages three, five and six. For informational purposes, a sample of a graph produced with the Pay Equity Analysis software is shown on page seven.

Compliance Report

The statistical analysis, salary range and exceptional service pay test results are shown below. Part I is general information from the Pay Equity Implementation Report data. Parts II, III and IV of the Compliance Report give test results. For more detail on each test, refer to Minnesota Rules Chapter 3920.

I. GENERAL JOB CLASS INFORMATION

	Male Classes (1)	Female Classes (2)	Balanced Classes	All Job Classes
# Job Classes	8	4	2	14
# Employees	14	4	24	42
Avg. Max Monthly Pay Per Employee	1,537.22	1,796.87		1,656.86 (3)

II. STATISTICAL ANALYSIS TEST

A. Underpayment Ratio = 150.0* (4)

	Male Classes	Female Classes
a. # At or above Predicted Pay	5	3
b. # Below Predicted Pay	3	1
c. TOTAL	8	4
d. % Below Predicted Pay (b divided by c = d)	37.50 (5)	25.00 (6)

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

B. T-test Results

Degrees of Freedom (DF) = 16 Value of T = -3.732 (7)

a. Avg. diff. in pay from predicted pay for male jobs = $2 (8)

b. Avg. diff. in pay from predicted pay for female jobs = $75 (9)

III. SALARY RANGE TEST = 105.71% (10) (Result is A divided by B)

A. Avg. # of years to max salary for male jobs = 5.29

B. Avg. # of years to max salary for female jobs = 5.00

IV. EXCEPTIONAL SERVICE PAY TEST = 50.00% (11) (Result is B divided by A)

A. % of male classes receiving ESP 50.00*

B. % of female classes receiving ESP 25.00

*(If 20% or less, test result will be 0.00.)

Compliance Report

Explanations below correspond to shaded numbers on page three.

1. **Average Maximum Monthly Salary for Employees in Male Classes**
2. **Average Maximum Monthly Salary for Employees in Female Classes**
3. **Overall Average Maximum Monthly Salary for an Employee**
4. **Underpayment Ratio**

   The minimum requirement to pass the statistical analysis test is an underpayment ratio of 80%. The underpayment ratio is calculated by dividing the percentage of male classes below predicted pay (item five) by the percentage of female classes below predicted pay (item six). In the example on page three, 37.5 ÷ 25 = 150%. Jurisdictions with an underpayment ratio below 80% can improve their score by increasing salaries for female classes to at or above predicted pay. More details regarding predicted pay are on pages six through 13.

   If the underpayment ratio is less than 80%, a jurisdiction may still pass the statistical analysis test if the t-test results (explained in item 7) are not statistically significant. The t-test measures the average dollar difference from predicted pay for male and female classes.

5. **Percentage of Male Classes Below Predicted Pay**

   This percentage is calculated by dividing the number of male classes below predicted pay by the overall total of male classes. In the example on page three, the total of male classes is eight, and three fall below predicted pay. Therefore, 3 ÷ 8 = 37.50%.

6. **Percentage of Female Classes Below Predicted Pay**

   This percentage is calculated by dividing the number of female classes below predicted pay by the overall total of female classes. In the example on page three, the total of female classes is four and one of those falls below predicted pay. Therefore, 1 ÷ 4 = 25%.

7. **T-Test & Degrees of Freedom**

   These numbers are used only for jurisdictions with an underpayment ratio below 80%, at least six male classes and at least one class with a salary range. If the underpayment ratio is 80% or more, these numbers are not used nor are they used for jurisdictions in the alternative analysis.

   These numbers show the average dollar amount that males and females are from predicted pay and answer the question: Are females paid less than males on average and, is the underpayment of females statistically significant?

   To determine if these numbers show statistical significance, they must be checked against the table on page five. Find the DF number in the "Degrees of Freedom" column and then look across for the "Value of T." If the "value of t" on the compliance report is less than the "value of t" on the table, it means that either there is no underpayment of female classes or that the underpayment is not statistically significant. If the t-test number is the same or more than the "value of t" on the table, the underpayment for female classes is statistically significant and the jurisdiction would not pass the test.

   Salary increases for female classes sufficient to eliminate statistical significance would allow a jurisdiction to pass the statistical analysis test even with an underpayment ratio below 80%.

In the example on page three, t-test results would not be used because the underpayment ratio is above 80%, but let's assume we needed to check these results. First, we would find 16 in the DF column and then look across to find the value of t at 1.746. Since our t-test number is -3.732, well below the value of t on the table, these results would show that on average, females are not underpaid compared to males.

T-Test Table
(5% Significance)

DF	Value of t	DF	Value of t	DF	Value of t
1	6.314	12	1.782	23	1.714
2	2.920	13	1.771	24	1.711
3	2.353	14	1.761	25	1.708
4	2.132	15	1.753	26	1.706
5	2.015	**16**	**1.746**	27	1.703
6	1.943	17	1.740	28	1.701
7	1.895	18	1.734	29	1.699
8	1.860	19	1.729	30	1.697
9	1.833	20	1.725	40	1.684
10	1.812	21	1.721	60	1.671
11	1.796	22	1.717	120	1.658
				Infinity	1.645

While the entire method for calculating t-test results cannot be explained here, it is a commonly accepted mathematical technique for measuring statistical significance. The formula is fairly complex, but basically it factors in predicted pay, the dollar difference from predicted pay and the number of employees. The DF number is the total number of employees in male or female dominated classes only, minus two.

8. **Average Dollar Amount Male Classes are Above or Below Predicted Pay**

   In the example on page three, the maximum monthly salary for male classes, on average, is $2 above predicted pay.

9. **Average Dollar Amount Female Classes are Above or Below Predicted Pay**

   In the example on page three, the maximum monthly salary for female classes, on average, is $75 above predicted pay.

10. **Salary Range Test**

    This number must be either 0% or 80% or more to pass this test. In the example on page three, 105.71% is passing. Jurisdictions not passing this test can pass it by reducing the number of years it takes for female classes to reach maximum salaries, increasing the number of years for males to reach maximum salaries, or some combination of both. A result of 0% would mean that either there are no male classes with an established number of years to move through a salary range, no female classes with an established number of years to move through a salary range, or both. A description of how the salary range test is calculated is on page 18.

11. **Exceptional Service Pay Test**

    This number must be either 0% or 80% or more to pass this test. In the example on page three, 50% is not passing. Jurisdictions not passing this test can pass it by either increasing the number of female classes that receive exceptional service pay, decreasing the number of male classes that receive exceptional service pay, or some combination of both. A result of 0% could mean that fewer than 20% of male classes receive exceptional service pay or that no female classes receive exceptional service pay. A description of how the exceptional service pay test is calculated is on page 19.

Statistical Analysis

Explanations correspond to shaded numbers below.

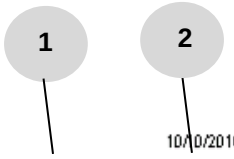
This report can be printed after the results are computed. The predicted pay and pay difference columns are helpful in analyzing the cost of adjusting the salary for any given class.

1. **Predicted Pay**

   The most simplistic definition of predicted pay is that it is the average pay of male classes at any given point value. Predicted pay is calculated by averaging the maximum monthly salaries for male classes in the jurisdiction. It is the standard for comparing how males and females are compensated. Predicted pay is a mirror, or reflection, of the current compensation practice within a jurisdiction for male classes, but is not necessarily the salary that "should" be paid at any particular point level. Specific details of the method used to calculate predicted pay is explained in pages eight through 13. The graph on page seven shows a “predicted pay line” and how male and female classes scatter around that line. Predicted pay amounts are determined only from the jurisdiction itself, not from any external factors or salaries.

2. **Pay Difference**

   Shows the dollar amount that maximum monthly salaries fall above or below predicted pay. If a jurisdiction does not pass the statistical test and needs to increase salaries for female classes, either to reach an underpayment ratio of 80% or eliminate the statistical significance of the t-test, this information is useful in calculating the cost. For example, the cost to increase the female class of “stage manager” to predicted pay would be $6.20 per month.

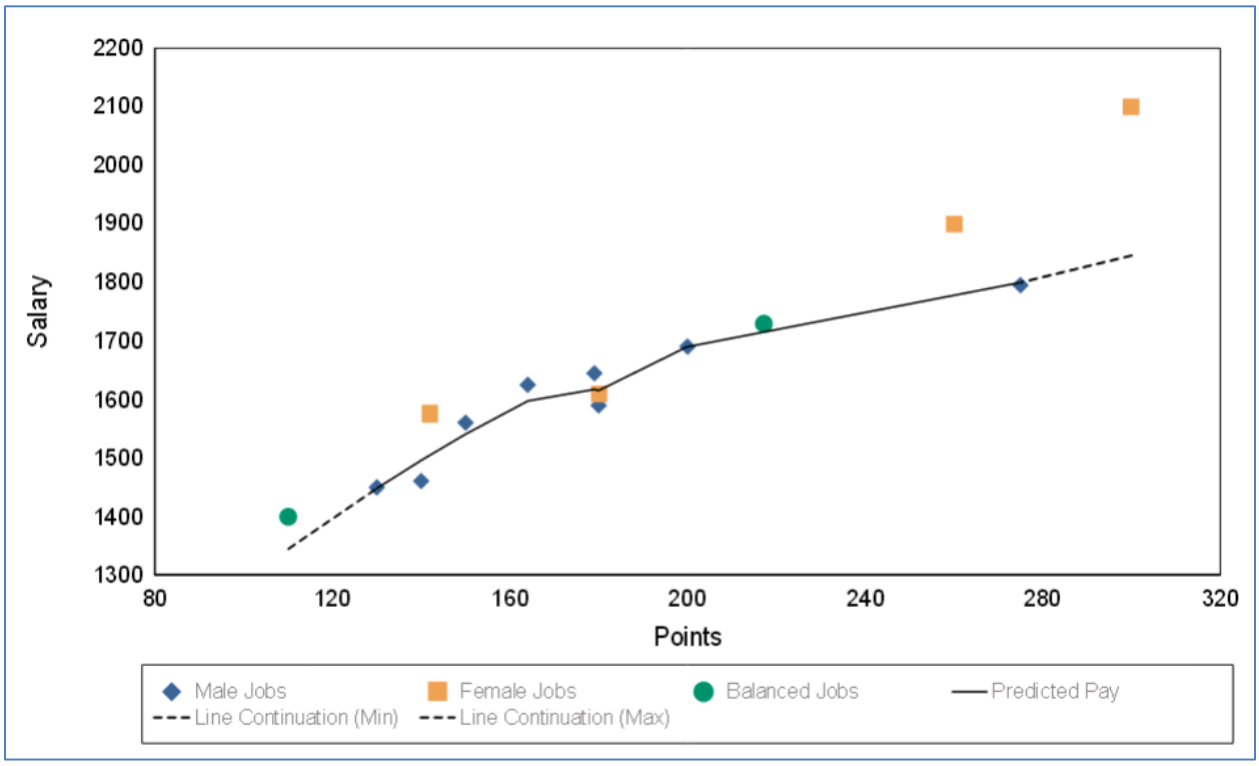


Predicted Pay Report for Stageville Theater First Step To Broadway! 10/10/2016
Case : 2011

Job Nbr	Job Title	Nbr Males	Nbr Females	Total Nbr	Job Type	Job Points	Max Mo Salary	Predicted Pay	Pay Difference
1	Box Office	1	1	2	Balanced	110	$1,400.41	$1,344.82	$55.59
2	Stage Crew	6	1	7	Male	130	$1,450.26	$1,447.15	$3.11
3	Props Chief	1	0	1	Male	140	$1,460.94	$1,495.59	($34.65)
4	Costume Designer	0	1	1	Female	142	$1,575.89	$1,505.17	$70.72
5	Set Tech.	1	0	1	Male	150	$1,560.75	$1,540.12	$20.63
6	Lighting Tech.	1	0	1	Male	164	$1,625.50	$1,598.54	$26.96
7	Effects Eng.	1	0	1	Male	179	$1,645.22	$1,617.17	$28.05
8	Stage Manager	0	1	1	Female	180	$1,610.30	$1,616.50	($6.20)
9	Writer	1	0	1	Male	180	$1,590.19	$1,616.50	($26.31)
10	Marketing Director	1	0	1	Male	200	$1,690.85	$1,689.43	$1.42
11	Actor/Actress	10	12	22	Balanced	217	$1,730.85	$1,748.34	($17.49)
13	Producer	0	1	1	Female	260	$1,900.00	$1,773.81	$126.19
12	Director	1	0	1	Male	275	$1,795.76	$1,800.99	($5.23)
14	General Manager	0	1	1	Female	300	$2,100.67	$1,846.29	$254.38

Job Number Count: 14

Predicted Pay Graph



.

Job Class Data Entry List Report

Shows the data that has been entered for computation. This report should be carefully reviewed before computing the results. If any errors are found, they must be corrected before computing results.

Stageville Theater First Step To Broadway!

Job Class Data Entry Verification List LGID 1

Case: 2011

Job Nbr	Class Title	Nbr Males	Nbr Females	Class Type	Jobs Points	Min Mo Salary	Max Mo Salary	Yrs to Max Salary	Yrs of Service	Exceptional Service Pay
1	Box Office	1	1	B	110	$1,200.00	$1,400.41	4.00	0.00	
2	Stage Crew	6	1	M	130	$1,250.00	$1,450.26	5.00	0.00	Longevity
3	Props Chief	1	0	M	140	$1,260.00	$1,460.94	5.00	0.00	Longevity
4	Costume Designer	0	1	F	142	$1,375.00	$1,575.89	5.00	0.00	
5	Set Tech.	1	0	M	150	$1,360.00	$1,560.75	5.00	0.00	Longevity
6	Lighting Tech.	1	0	M	164	$1,400.00	$1,625.50	6.00	0.00	Longevity
7	Effects Eng.	1	0	M	179	$1,425.00	$1,645.22	6.00	0.00	
8	Stage Manager	0	1	F	180	$1,425.00	$1,610.30	5.00	0.00	Longevity
9	Writer	1	0	M	180	$1,400.00	$1,590.19	6.00	0.00	
10	Marketing Director	1	0	M	200	$1,490.00	$1,690.85	4.00	0.00	
11	Actor/Actress	10	12	B	217	$1,500.00	$1,730.85	4.00	0.00	Performance
13	Producer	0	1	F	260	$1,700.00	$1,900.00	0.00	1.00	
12	Director	1	0	M	275	$1,600.00	$1,795.76	0.00	3.00	
14	General Manager	0	1	F	300	$1,800.00	$2,100.67	0.00	5.00	

Job Number Count: 14

Method Used for Predicted Pay Calculation in the Statistical Analysis

The following explanation is a general description of how predicted pay is calculated but does not include all details of the formula in Minnesota Rules Chapter 3920.

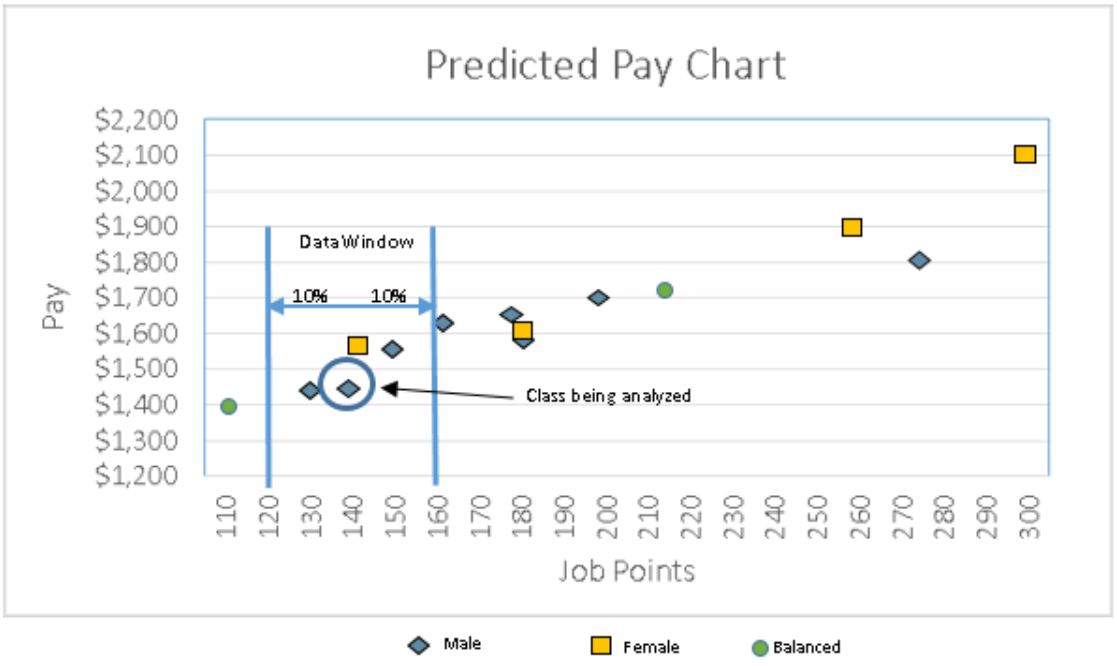
Basis of the Statistical Analysis

The definition in the Local Government Pay Equity Act for equitable compensation relationship says "...compensation for female-dominated classes is not consistently below the compensation for male-dominated classes of comparable value..."

The formula for the statistical analysis is based on three concepts found in the above definition: comparable value, male compensation and consistently below.

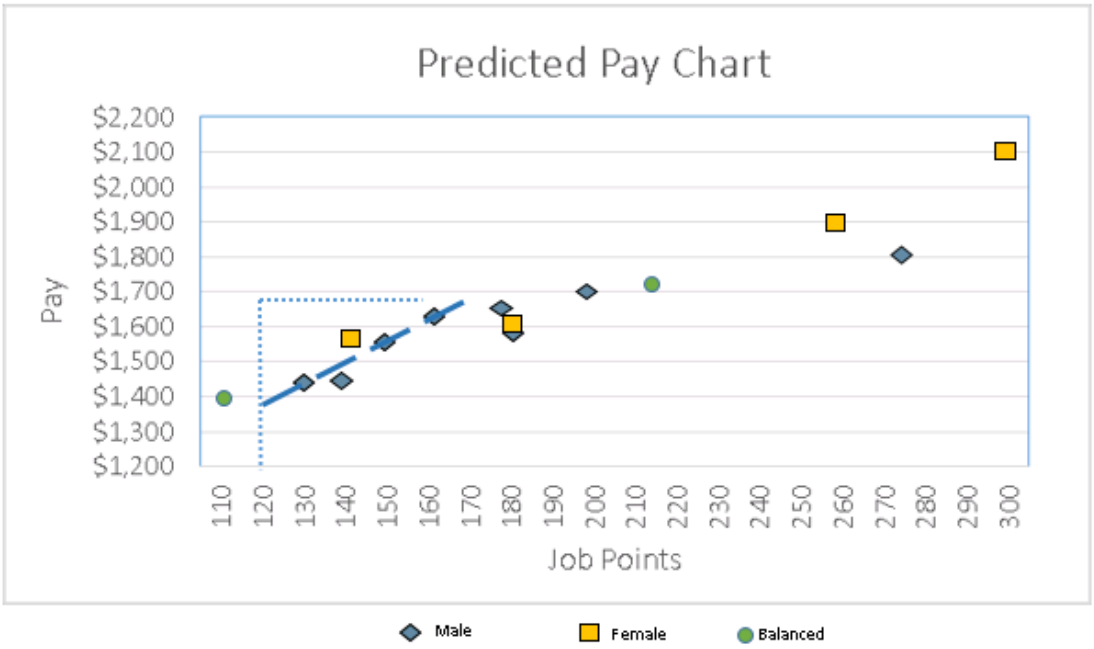
I. Defining "Comparable Value"

Except for classes in the lower and upper 10% of the point range, comparable value is defined by drawing a 20% window around the job class being analyzed. Each window extends 10% of the range of points on each side of the class. In the example, there is a range of 200 points from lowest to highest, so 10% would be 20 points. Each window must have at least three male classes (two of which have different points) and must include at least 20% of all male classes in the jurisdiction. If this criteria is not met, the window will expand at 5% increments on either side until the required number of male classes are included. The drawing below shows one window for one class.

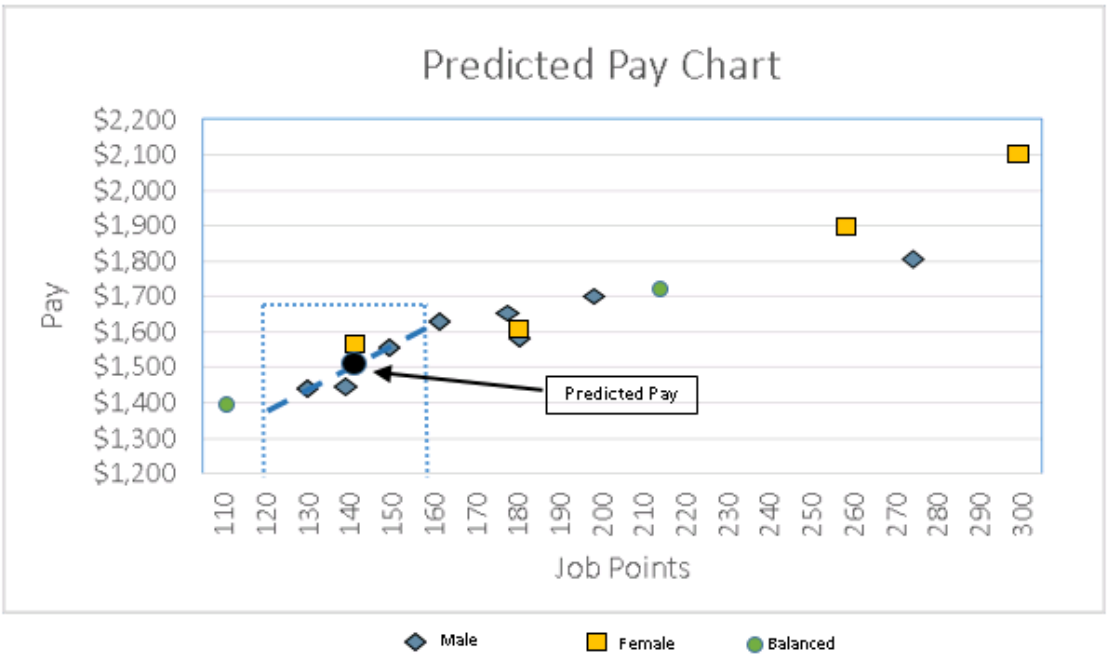


II. Defining “Male Compensation” or “Predicted Pay

A. The first step in defining male compensation is to draw a "mini" regression line through the male classes in the window.



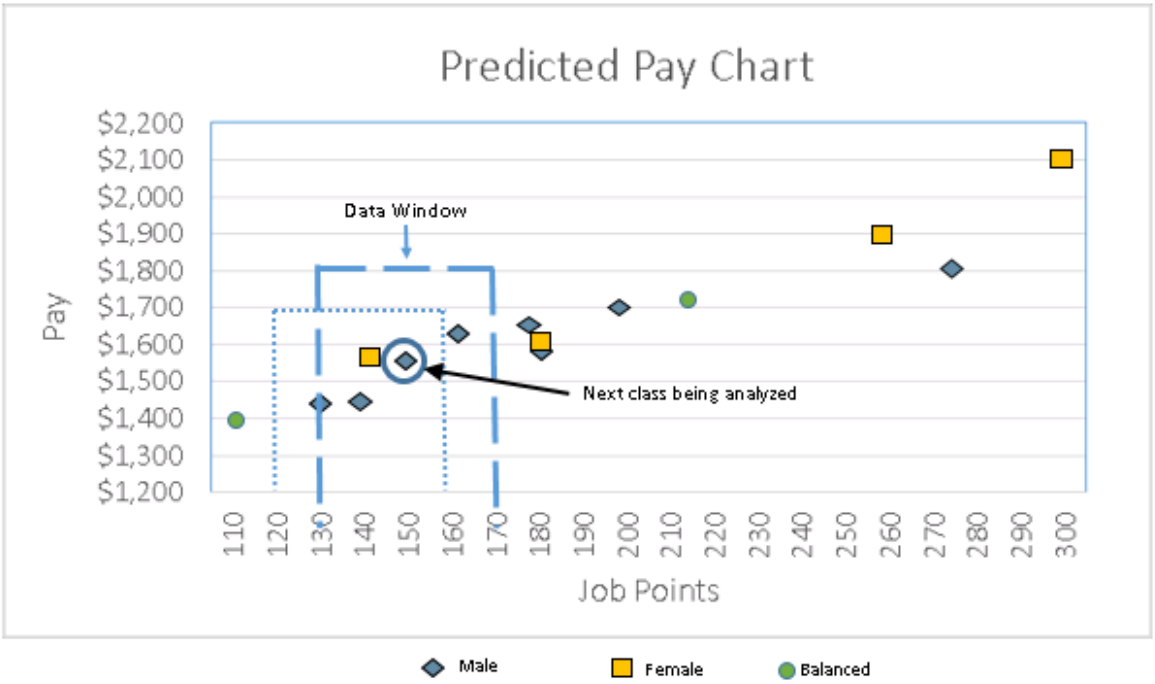
B. The second step in defining male compensation is to look at the class being analyzed and the same point on the mini regression line. This point is called predicted pay.



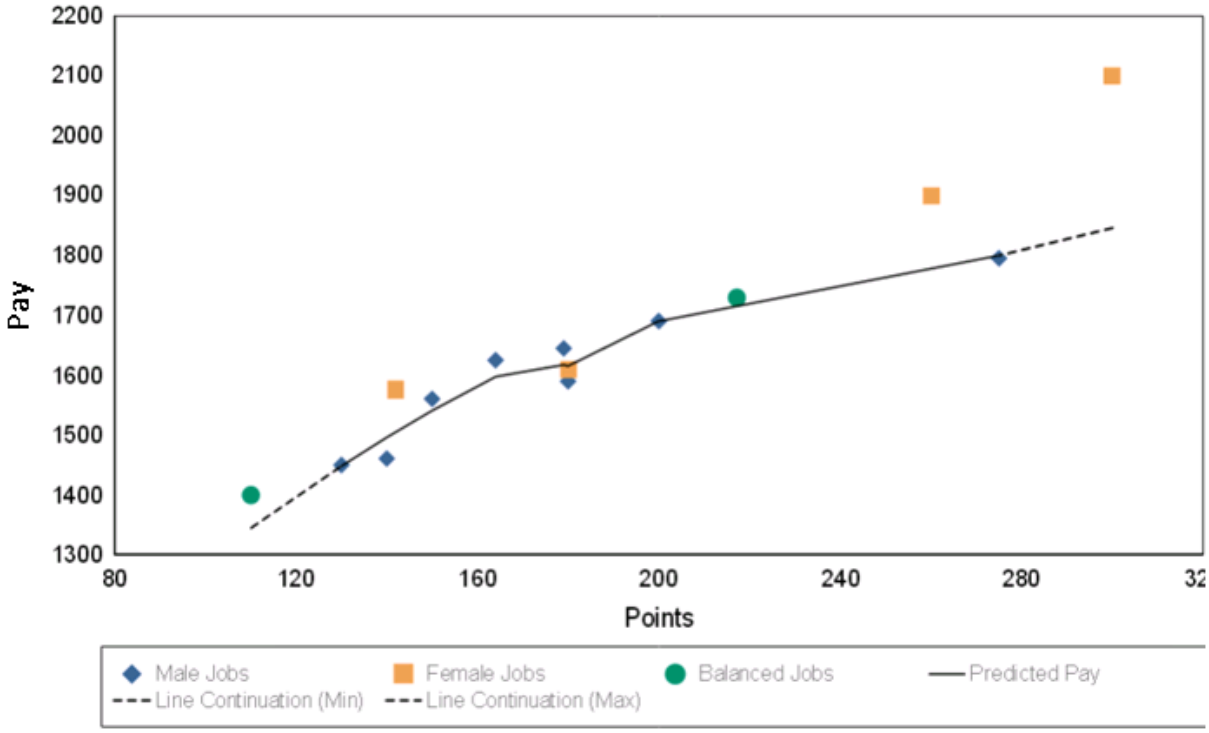
III. Defining "Consistently Below"

A. A determination is made as to whether the class being analyzed falls above or below predicted pay. In the example, the female class being analyzed is above predicted pay.

B. A new window is drawn when the next class is analyzed. This continues until all classes have been analyzed.



C. When all the classes have been analyzed, a predicted pay line is drawn.



D. The tabulation of the number of male and female classes above and below the predicted pay line is made.

For example:

F above	=	3	M above	=	5
F below	=	1	M below	=	3
Total	=	4	Total	=	8

E. The percentage of male and female classes below predicted pay is calculated by dividing the number of classes below by the total number of classes in each group.

Female classes:	1 ÷ 4	=	25.00%
Male classes:	3 ÷ 8	=	37.50%

F. The percentage of male classes below predicted pay is divided by the percentage of female classes below predicted pay. This produces the "underpayment ratio."

37.50% ÷ 25.00% = 150.00%

G. An underpayment ratio below 80% shows that female classes are compensated "consistently below" male classes of comparable value. If the underpayment ratio is below 80%, further analysis is done to determine if the underpayment of females is statistically significant. Using the t-test, a determination is made whether or not the dollar difference is statistically significant. Details of the t-test can be found on page four.

Alternative Analysis Test

The minimum requirement to pass this test is that:

a. there is no compensation disadvantage for at least 80% of female classes compared to male classes; or,
b. compensation differences can be accounted for by years of service or performance.

On the next few pages the four possibilities that exist for inequities or a compensation disadvantage are described.

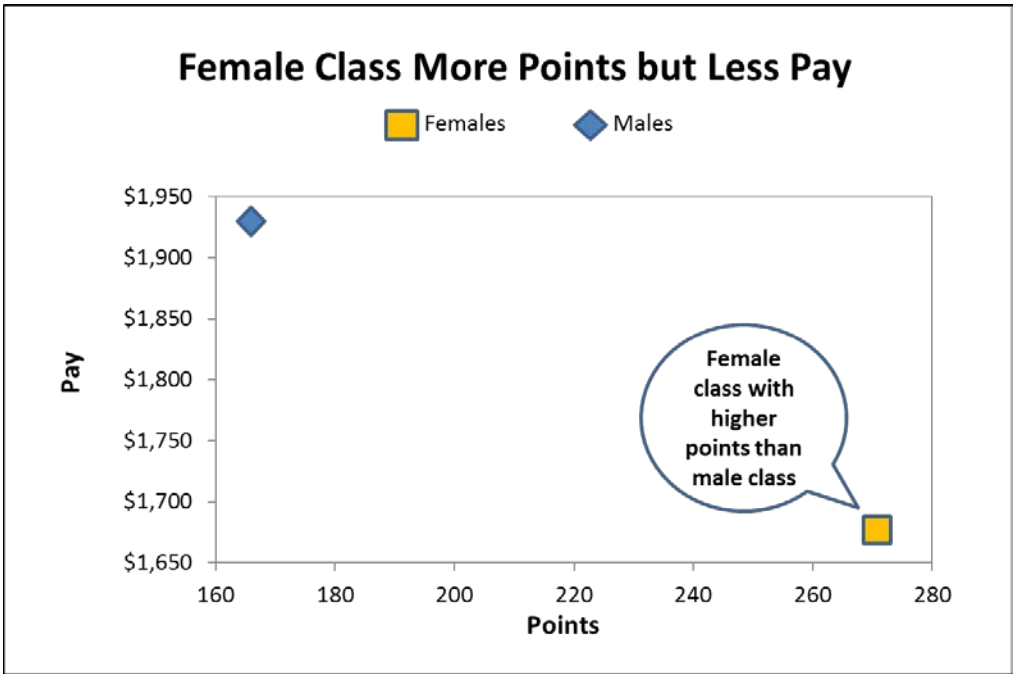
1. **A female class with higher points has less compensation than a male class with lower points.**

   Example: In this case, the female job class of city clerk has more points but less pay than the male job class of maintenance supervisor.

Job Title	Type	Class Points	Max. Monthly Salary
City Clerk	F	275	$1665
Maint. Sup.	M	171	$1925

The minimum requirement to correct this inequity is that the female class must have a salary at least equal to that of the male class.

Graph illustrating inequity for female job class.



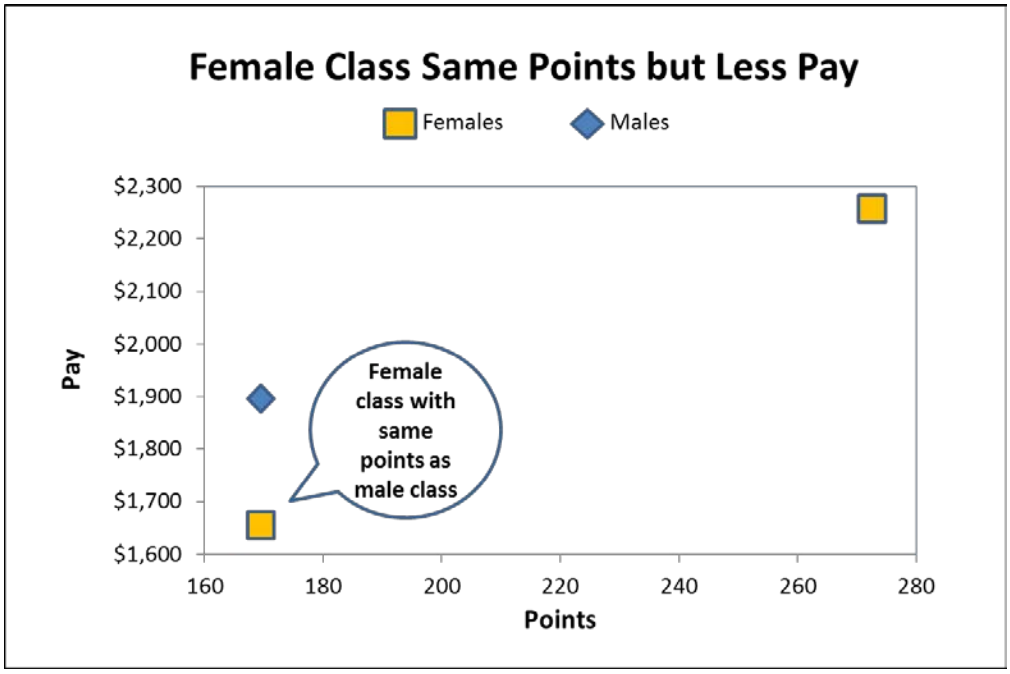
2. **A female class has the same points as a male class but less compensation**.

Example: In this case, the female job class of secretary and the male job class of maintenance have the same points but the secretary receives less pay.

Job Title	Type	Class Points	Max. Monthly Salary
City Clerk	F	275	$2265
Maintenance	M	171	$1900
Secretary	F	171	$1630

The minimum requirement to correct this inequity is that the female class must have a salary at least equal to the male class.

Graph illustrating inequity for female job class.



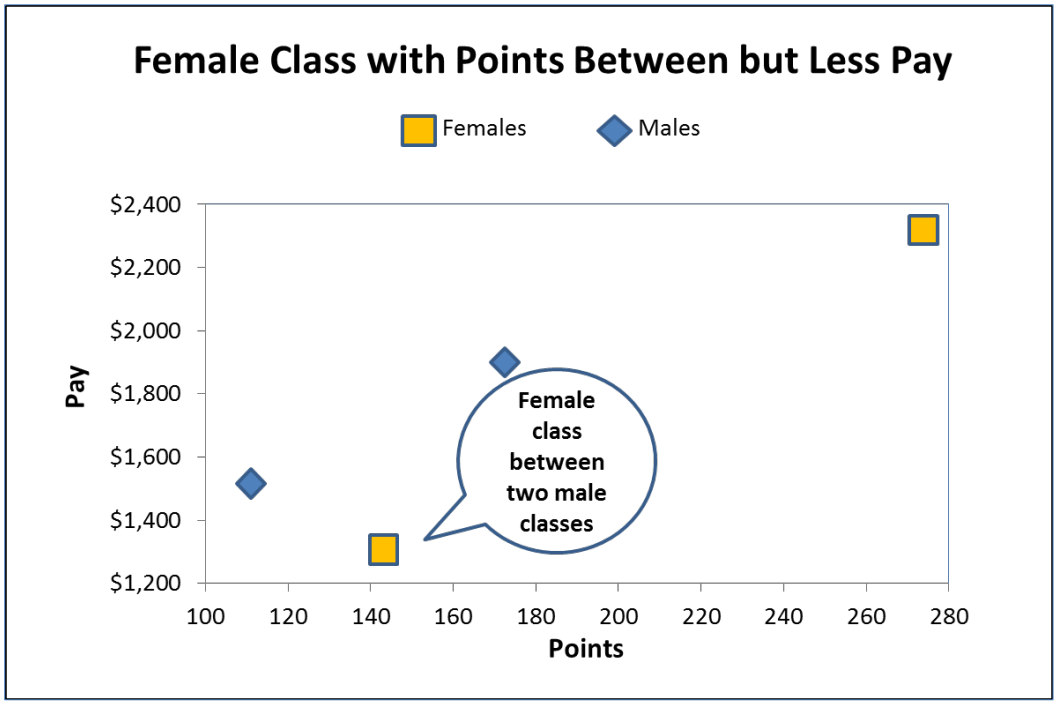
3. **A female class has points between two male classes but compensation is not between or above the two male classes.**

Example: In this case, the female job class of receptionist has points between two male classes but receives less pay than either of them.

Job Title	Type	Class Points	Max. Monthly Salary
City Clerk	F	275	$2370
Maintenance	M	171	$1900
Receptionist	F	141	$1250
Custodian	M	111	$1500

The minimum requirement to correct this inequity is that the female class must have a salary somewhere between the two male classes.

Graph illustrating inequity for female job class.



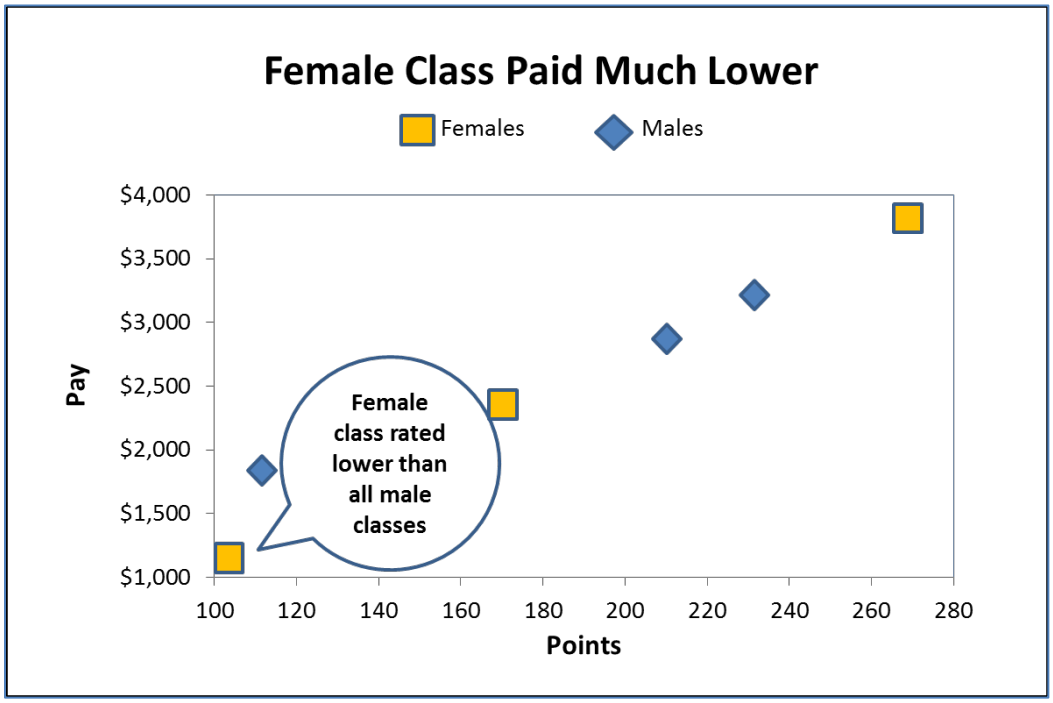
4. **A female class, rated lower than all male classes, is not compensated as reasonably proportionate to points as other classes.**

Example: In this case, the retail clerk has a salary of $700 per month below the custodian but only six fewer points. For all other job classes where there is a salary difference, there is a larger difference in points. For example, the maintenance supervisor's salary is $300/month less than the police officer and there is a difference of 23 points.

Job Title	Type	Class Points	Max. Monthly Salary
City Clerk/Admin	F	275	$3800
Police Officer	M	236	$3200
Maintenance Sup	M	213	$2900
Admin. Sec.	F	173	$2400
Custodian	M	111	$1800
Retail Clerk	F	105	$1100

While some difference in salary is acceptable due to the point difference, the salary for the retail clerk with 105 points must be much closer to the salary for the custodian with 111 points. When there is a question regarding the salary for female class or classes rated lower than all male classes, the judgment is made on a case-by-case basis, and the main considerations are the relationship of points and pay between other classes in the jurisdiction and past history of pay relationships that were previously in compliance. In this case, the minimum requirement to correct this inequity would be that the salary for the retail clerk would be approximately $1,650/month.

Graph illustrating inequity for female class.



Salary Range Test

This is an example to show how the salary range test is calculated. It is not necessary to calculate this test manually if the software is being used. If the software is not being used, the following steps will produce a result for this test. Information is recorded for male or female classes only, not balanced classes. The information for this example is taken from the Data Entry List Report on page seven.

JURISDICTION: Stageville Theatre

Step 1

Look at the "years to max" column and identify male classes with an established number of years to move through a salary range.

Title	Years to Max
Stage Crew	5
Props Chief	5
Set Tech	5
Lighting Tech	6
Effects Tech	6
Writer	6
Marketing Director	4
7 total classes	***37 total years***

Step 2

Calculate the average years to reach maximum salary for male classes:

A. Total years from Step 1		37	
B. Total classes from Step 1		7	
C. Divide 2A by 2B	37 ÷ 7 =	***5.28***	***average years to max***

Step 3

Look at the "years to max" column and identify female classes with an established number of years to move through a salary range.

Title	Years to Max
Costume Designer	5
Stage Manager	5
2 total classes	***10 total years***

Step 4

Calculate the average years to reach maximum salary for female classes:

A. Total years from Step 3		10	
B. Total classes from Step 3		2	
C. Divide 4A by 4B	10 ÷ 2 =	***5***	***average years to max***

Step 5

Divide 2C by 4C and multiply by 100. 5.28 ÷ 5 = 1.05 x 100 = 105%

Enter this result in Part C of the Pay Equity Implementation Report.

Exceptional Service Pay Test

This is an example to show how the exceptional service pay test is calculated. It is not necessary to calculate this test manually if the software is being used. If the software is not being used, the following steps will produce a result for this test. The information for this example is taken from the Data Entry List Report on page seven. Information is recorded for male or female classes only, not balanced classes.

Step 1

Look at the "exceptional service pay" column and calculate the percentage of male classes receiving exceptional service pay.

A.	Total number of male classes where an employee receives exceptional service pay.		**4**
B.	Total number of male classes in the jurisdiction.		**8**
C.	Divide 1A by 1B and multiply by 100.	4 ÷ 8 = .50 x 100 =	**50%**

If result of 1C is 20% or less, stop here and check appropriate box in Part D of report form.

If result is more than 20%, go on to Step 2.

Step 2

Look at the "exceptional service pay" column and calculate the percentage of female classes receiving exceptional service pay.

A.	Total number of female classes where an employee receives exceptional service pay.		**1**
B.	Total number of female classes.		**4**
C.	Divide 2A by 2B and multiply by 100.	1 ÷ 4 = .25 x 100 =	**25%**

Step 3

Calculate the ratio of female/male classes receiving exceptional service pay.

Divide 2C by 1C and multiply by 100.	.25 ÷ .50 = .50 x 100 =	5**0%**