

Final Report

Classification and Compensation Study for: City of New Prague, MN

October 2025



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Cover Letter

September 25, 2025

Joshua Tetzlaff, City Administrator New Prague, MN 118 Central Avenue N, New Prague, MN 56071 Phone: (952) 758-4401 Email: jtetzlaff@ci.new-prague.mn.us

Re: Classification and Compensation Study

Dear Joshua,

We are pleased to have worked with the City of New Prague, MN on the Classification and Compensation Study, to share our passion for strategic workforce staff planning and custom pay plan development.

The project goal was to attract and retain qualified employees. The study focused on 86 employees and 33 classifications / job titles.

AutoSolve, Inc. (AutoSolve) is an experienced Management Consulting firm that has been providing consulting services to private and public agencies for more than 30 years. Our success has been contributed to our ability to continuously deliver value to our clients. The AutoSolve team listened collaborated and communicated effectively with the New Prague's Project team to develop a custom pay plan system that is both internally equitable and externally competitive.

All work has been completed.

Sincerely,

Jeff Turner, President

AutoSolve, Inc.

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Study Introduction

From June 2025, through October 2025, AutoSolve, Inc. conducted a comprehensive classification and compensation study for the New Prague, MN. The study focused on 86 employees and 33 classifications / job titles. The goal of this study was to create and improve the compensation system to aid the City in the following ways.

- Attract and retain qualified employees.
- Ensure positions performing similar work with essentially the same level of complexity, responsibility, and knowledge, skills, and abilities are classified together.
- Provide salaries commensurate with assigned duties.
- Provide justifiable pay differential between individual classes.
- Maintain a competitive position with other comparable government and private entities within the same geographic areas.

Study Methodology

To achieve the study's goals, AutoSolve utilized both quantitative and qualitative tools to assess the City's current internal and external equity to provide the most appropriate recommendations.

Communication, Interaction, and the Kickoff Call

As illustrated in the **Study Methodology Diagram**, AutoSolve started off the study with a project kickoff call. The kickoff call allows the City management to learn more about the project, ask questions, and allows AutoSolve to request the appropriate data that we will need to complete the project effectively. AutoSolve emphasizes open communication throughout the project by holding weekly touchpoint meetings to discuss the project and review the workplan, providing weekly updates on the progress of the project, scheduling as need meetings with department heads, incorporating New Prague City's Project Team feedback throughout the project, and working alongside the City's project team during all phases of the project.

Current Pay Plan/Philosophy Evaluation

AutoSolve assessed the current pay plan structure at the beginning of the study. This analysis provides the starting point for any recommendations AutoSolve proposes. The Pay Plan analysis can be found in **Section One.**





Classification Evaluation Internal Equity

AutoSolve utilized two proprietary surveys to analyze the City's internal equity. The first Survey, Internal Anonymous Organizational Survey, allows AutoSolve to collect qualitative information about the organization, management, culture, and work environment. The Anonymous Organizational Survey findings can be found in **Section Two**.

The second survey, Internal Individual Employee Survey, allows AutoSolve to collect up to date classification/job duties and responsibilities. This data was utilized to update all the classification's job descriptions that were a part of the study.

Compensation Evaluation External Competition

AutoSolve performed an external market survey reaching out to a selected group of organizations that were deemed by both AutoSolve consultants and the City's project team to be direct competitors with the City. AutoSolve reached out to the selected peers to collect classification pay range data and benefit data. The external market survey results can be found in **Section Three**. The results from the market survey were utilized in the development of the recommended compensations system.

Classification Grading

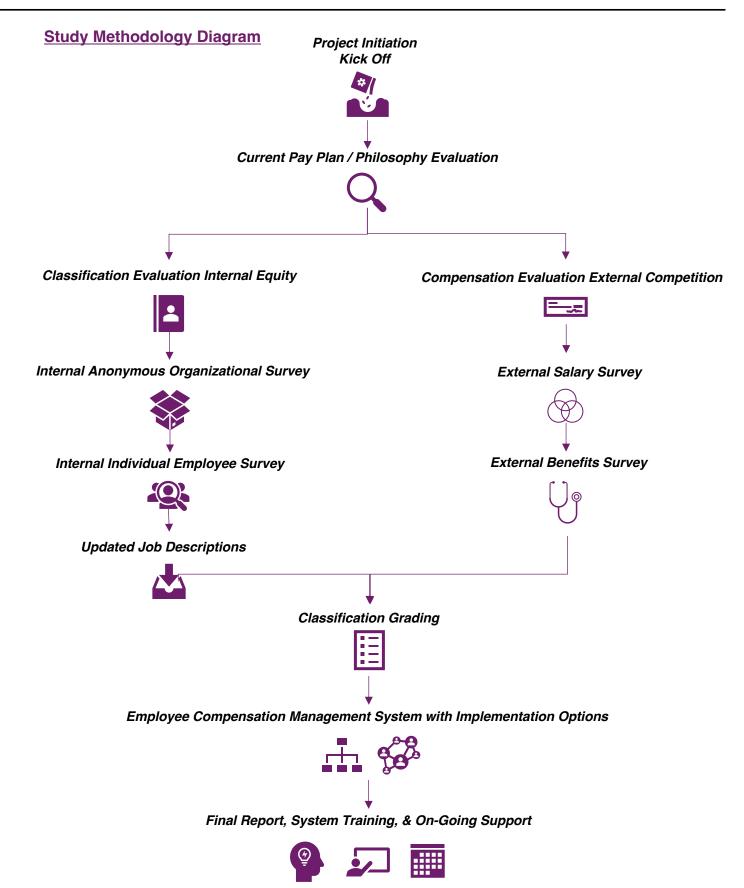
Utilizing data from the Internal Individual Employee Survey and AutoSolve's own proprietary grading system, AutoSolve consultants provided a "rank' to each of the classifications that were a part of the study. The rank is based off the classification's duties, responsibilities, and impact within the City. The ranks assist in AutoSolve's assigning new classification grades. The proposed classification grades can be found in **Section Four**.

Employee Compensation Management System with Implementation Options

The concluding recommendations and proposed compensation system were provided based on the synthesis findings of the overall study and the City's compensation philosophy. The recommendations were accompanied with multiple different ways to implement the proposed compensation system along with the estimated cost for each. **Section Four** breaks down the proposed compensation system, the recommended implementation option, and the estimated cost. AutoSolve also provided the City's project leadership team with an *Employee Compensation Management System*. The system is an excel spreadsheet used for implementing and maintaining the proposed compensations system.











Section One: Review of Current Pay Plan System

Section One provides a breakdown and overall assessment of the current compensation structure of the City of New Prague, MN. The data included in this review reflects the current compensation makeup of the organization at the time of the study. This assessment will function as the foundation for the ongoing assessment, review, and recommendations for improving the client's overall compensation system in conjunction with Sections Two and Three.

Section Breakdown

- S1.1 Current Pay Plan Breakdown
- **S1.2 Department and Classifications**
- **S1.3 Quartile Analysis**
- **S1.4 Minimum and Maximum Range Placement**
- **S1.5 Above and Below Midpoint**
- **S1.6 Compression**
- **S1.7 Findings and Conclusion**





Below, sections of this review may begin with a "terminology" breakdown, followed by "best practices" that lists agreed upon industry expectations and standards, and conclude with the "findings" of the review process.

S1.1 Current Pay Plan Breakdown

Terminology:

- **Pay plan:** A pay plan is a structured framework outlining the compensation structure and policies within an organization, detailing how employees are rewarded for their work. It typically includes components such as base salary, bonuses, incentives, and benefits, designed to attract, retain, and motivate employees.
- **Salary Structure:** This is the formulation for an organization's pay plan, establishing the salary ranges and bands for different job classifications or positions, specifying the minimum, midpoint, and maximum salary levels.
- **Range spread:** A range spread refers to the percentage difference between the minimum and maximum values within a particular pay grade or salary range. It is a key parameter used to define the breadth of a salary range for a specific job classification or position.

Best Practices:

- Classification should be assigned one distinct grade.
- Jobs within the same area of work (location/department) should be organized into their own distinct pay plan.

Findings:

For this compensation study, AutoSolve will review and create a paygrade assignment for 86 employees, 42 part time and 44 full time. Of the 86 employees, all 42 part-time employees currently do not have salary pay ranges assigned and will not be included in most of this section's analysis. AutoSolve will analyze the 44 full time employees that have a salary range assignment.

As of June 2025, City of New Prague administers one General pay plan that has 19 grades and serves 39 full time employees. The City has a separate pay range outside of its general plan specifically for its 5 Line Workers.

The General plan utilizes a nearly uniform range spread across its grades. The grades' range spreads vary from 31.09% to 31.20%. Progressions from one grade to the next are also nearly uniform. The grade progressions range from 8.97% to 9.02%.





FIGURE S1.1 breaks down the one General pay plan and the separated Line Worker pay range utilized in the City by the pay grades minimum, midpoint, maximum, range spread, and the number of employees assigned to said grade.

Figure S1.1 A General Pay Plan

| Pay plan | Grade | Min | Mid | Max | Range Spread | Min Progression | Employees |
|--------------|-------|---------|---------|---------|-----------------|--------------------|-----------|
| General Plan | 1 | \$14.21 | \$16.43 | \$18.64 | 31.18% | _ | 0 |
| General Plan | 2 | \$15.49 | \$17.91 | \$20.32 | 31.18% | 9.01% | 0 |
| General Plan | 3 | \$16.88 | \$19.51 | \$22.14 | 31.16% | 8.97% | 0 |
| General Plan | 4 | \$18.40 | \$21.27 | \$24.14 | 31.20% | 9.00% | 0 |
| General Plan | 5 | \$20.06 | \$23.19 | \$26.31 | 31.16% | 9.02% | 0 |
| General Plan | 6 | \$21.87 | \$25.28 | \$28.69 | 31.18% | 9.02% | 0 |
| General Plan | 7 | \$23.84 | \$27.55 | \$31.26 | 31.12% | 9.01% | 0 |
| General Plan | 8 | \$25.99 | \$30.03 | \$34.07 | 31.09% | 9.02% | 4 |
| General Plan | 9 | \$28.33 | \$32.75 | \$37.16 | 31.17% | 9.00% | 9 |
| General Plan | 10 | \$30.88 | \$35.70 | \$40.51 | 31.19% | 9.00% | 4 |
| General Plan | 11 | \$33.66 | \$38.91 | \$44.15 | 31.16% | 9.00% | 6 |
| General Plan | 12 | \$36.69 | \$42.41 | \$48.13 | 31.18% | 9.00% | 5 |
| General Plan | 13 | \$39.99 | \$46.22 | \$52.45 | 31.16% | 8.99% | 2 |
| General Plan | 14 | \$43.59 | \$50.39 | \$57.18 | 31.18% | 9.00% | 2 |
| General Plan | 15 | \$47.51 | \$54.92 | \$62.33 | 31.19% | 8.99% | 1 |
| General Plan | 16 | \$51.79 | \$59.86 | \$67.92 | 31.15% | 9.01% | 2 |
| General Plan | 17 | \$56.45 | \$65.25 | \$74.05 | 31.18% | 9.00% | 3 |
| General Plan | 18 | \$61.53 | \$71.13 | \$80.72 | 31.19% | 9.00% | 0 |
| General Plan | 19 | \$67.07 | \$77.52 | \$87.97 | 31.16% | 9.00% | 1 |
| Total | | | | | 31.17% | - | 39 |

Figure S1.1 B Social Service Pay Plan

| | Pay plan | Grade | Min | Mid | Max | Range Spread | Min Progression | Employees |
|---|-------------|-------|---------|---------|---------|-----------------|--------------------|-----------|
| ľ | Line Worker | LW | \$39.99 | \$48.62 | \$57.24 | 43.14% | - | 5 |
| | | | | | | 43.14% | - | 5 |





S1.2 Department and Classifications

Terminology:

- **Classification:** A classification refers to the categorization and systematic arrangement of various job positions based on factors such as responsibilities, skills, and experience.

Findings:

The following analysis is intended to illustrate how the classifications and employees are distributed across the City's departments. As of June 2025, the City has 86 full time and part time employees across 15 departments.

FIGURE S1.2 presents the number of classifications and employees in each of the organization's departments. The largest department is the Parks department with 17 employees, representing around 19.77% of the organization's total workforce. Only three of the 17 employees found in the Parks department are full-time employees.

Figure S1.2 Employees by Department

| Department | Classification # | Employee # | % of Organization |
|-----------------------|------------------|------------|-------------------|
| Administration | 4 | 4 | 4.65% |
| Community Development | 5 | 5 | 5.81% |
| Electric | 2 | 6 | 6.98% |
| Food & Beverage | 1 | 12 | 13.95% |
| Generation | 2 | 4 | 4.65% |
| Golf | 2 | 2 | 2.33% |
| Golf Operations | 1 | 7 | 8.14% |
| Maintenance | 1 | 8 | 9.30% |
| Parks | 2 | 17 | 19.77% |
| Police | 2 | 3 | 3.49% |
| Public Works | 1 | 1 | 1.16% |
| Streets | 2 | 6 | 6.98% |
| Utilities | 3 | 3 | 3.49% |
| Wastewater | 3 | 4 | 4.65% |
| Water | 2 | 4 | 4.65% |
| Total | 33 | 86 | 100.0% |



FIGURE S1.3 illustrates the 33 classifications currently utilized by the City.

Figure S1.3A Classifications

| Classification | Classification |
|-----------------------------|---------------------------|
| Accounting Technician | Maintenance Worker |
| Administrative Assistant | Mechanic |
| Administrative Coordinator | Parks Maintenance Worker |
| Building Inspector | Parks Supervisor/Maint. |
| Building Official | Permit Specialist |
| City Administrator | Planner |
| Customer Service/Acct'G | Planning Director |
| Elect Operations Supervisor | Police Chief |
| Finance Director | Police Records Technician |
| Food And Beverage Worker | Public Works Director |
| General Manager | Public Works Supervisor |
| Generation | Seasonal Worker |
| Generation Supervisor | Wastewater Operator li |
| Golf Attendent | Water Operator |
| Golf Maintenance Worker | Wwtp Operator li |
| Golf Superintendent | Wwtp Superintendent |
| Lineman | |





S1.3 Quartile Analysis

Terminology:

- Quartile analysis is a statistical method that involves dividing a dataset into four equal parts, or quartiles, to gain insights into its distribution and variability. Each quartile represents 25% of the data points.
- Quartile (Q1): The 25th percentile, representing the point below which 25% of the data falls.
- **Quartile (Q2):** The 50th percentile or the median, representing the midpoint of the dataset where 50% of the data falls below and 50% falls above.
- **Quartile (Q3):** The 75th percentile, indicating the point below which 75% of the data falls.
- **Quartile (Q4):** The 100th percentile, representing the highest data point in the dataset.
- **Tenure:** Tenure, in a professional context, signifies the duration of time an individual has held a specific position or employment within an organization.

Best Practices

- A higher average tenure should be correlated with a higher quartile. For example, the lowest average tenure should be found within quartile 1 and the highest average tenure should be found in quartile 4.

We broke down the 44 employees with an assigned pay range by placing them into their respective quartiles. The employee placement is based on where their current yearly salary lands within their pay grades salary range. The analysis also highlights the average tenure of the employees within each quartile.

The ideal quartile analysis will illustrate a strong correlation between tenure and quartile, where higher tenure would be experienced in higher quartiles. The goal of this evaluation is to identify compression and pay inequities.

Findings:

FIGURE S1.4 shows the number of employee salaries that are in each quartile of each pay range. As displayed, 4 employees have salaries in the first quartile of their respective range; 8 employees have salaries in the second quartile; 7 employees have salaries in the third quartile; and 21 have salaries in the fourth quartile.

The analysis reflects that the average tenure in the 1st quartile is 2.12 years; the 2nd quartile is 8.48 years; the 3rd quartile is 7.37 years; and the 4th quartile is 16.40 years. Best practice states, as an employee moves through the quartiles, average tenure increases, however the average tenure is less as you move from the 2nd to the 3rd quartile. This can indicate improper movement of employees through their salary ranges.





Figure S1.4
Quartile and Average Tenure

| | | 1st Qu | uartile | 2nd Qı | uartile | 3rd Qı | uartile | 4th Qւ | uartile |
|-------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Grade | Total Employees | # of Employees | Average Tenure |
| 1 | 0 | 0 | - | 0 | - | 0 | - | 0 | - |
| 2 | 0 | 0 | - | 0 | - | 0 | - | 0 | - |
| 3 | 0 | 0 | - | 0 | - | 0 | - | 0 | - |
| 4 | 0 | 0 | - | 0 | - | 0 | - | 0 | - |
| 5 | 0 | 0 | - | 0 | - | 0 | - | 0 | - |
| 6 | 0 | 0 | - | 0 | - | 0 | - | 0 | - |
| 7 | 0 | 0 | - | 0 | - | 0 | - | 0 | - |
| 8 | 4 | 1 | 0.28 | 0 | - | 1 | 3.12 | 2 | 5.93 |
| 9 | 9 | 1 | 0.39 | 2 | 0.51 | 4 | 3.07 | 2 | 17.93 |
| 10 | 4 | 0 | - | 0 | - | 1 | 8.08 | 3 | 13.42 |
| 11 | 6 | 0 | - | 2 | 29.06 | 0 | - | 4 | 13.08 |
| 12 | 5 | 1 | 0.00 | 0 | - | 1 | 3.18 | 3 | 12.50 |
| 13 | 2 | 1 | 7.80 | 0 | - | 0 | - | 1 | 33.35 |
| 14 | 2 | 0 | - | 2 | 4.40 | 0 | - | 0 | - |
| 15 | 1 | 0 | - | 0 | - | 0 | - | 1 | 31.18 |
| 16 | 2 | 0 | - | 0 | - | 1 | 24.50 | 1 | 20.68 |
| 17 | 3 | 0 | - | 0 | - | 1 | 19.04 | 2 | 20.27 |
| 18 | 0 | 0 | - | 0 | - | 0 | - | 0 | - |
| 19 | 1 | 0 | - | 1 | 3.83 | 0 | - | 0 | - |
| LW | 5 | 0 | - | 2 | 2.25 | 1 | 3.48 | 2 | 20.45 |
| Total | 44 | 4 | 2.12 | 9 | 8.48 | 10 | 7.37 | 21 | 16.40 |





S1.4 Minimum and Maximum Range Placement

Terminology:

- **Salary Pay Ranges:** Defined minimum and maximum salary levels for different job positions or grades within the organization, providing a range within which employees' salaries may fall.
- **Minimum**: Denotes the lowest salary or compensation level set within a predetermined scale for a particular job or position within an organization.
- **Maximum:** Denotes the highest salary or compensation level set within a predetermined scale for a particular job or position within an organization.

Best Practices:

The placement of an employee's salary within a classification's pay range is often indicative of their experience and tenure within the organization. When situated at the minimum of the pay range, it typically suggests recent entry to the position or a recent promotion, indicating a need for more experience to advance further. Conversely, an employee with a salary at or near the maximum of the pay range generally demonstrates longer tenure, significant experience, and potentially high performance, showcasing their progression towards the upper limits of the pay range over time.

When evaluating the effectiveness of a compensation plan and its associated policies, it is beneficial to assess where employee salaries fall relative to their classification's pay range. Identifying clusters of salaries can bring attention to potential concerns regarding pay progression within the plan. It's important to note that the progression of employee salaries is intertwined with the organization's compensation philosophy, specifically concerning salary advancement methods and resource availability. Therefore, understanding the context of the organization's approach is essential when interpreting the placement of employee salaries.

Findings:

FIGURE S1.5 displays the percentage of employees whose salaries are at or below their respective pay range minimum.

FIGURE S1.6 displays the percentage of employees whose salaries at or above the pay range maximum of their respective pay range maximum. The percentages presented are based on the total number of employees in that grade.

As shown, 0 employees (0.00%) have salaries below their respective pay range minimum, 3 (6.82%) have salaries at the minimum, 11 (25.00%) have salaries at the maximum, and 0 (0.00%) have salaries above the maximum.





Figure S1.5 Below or at Minimum

| | | Below The | Minimum | At the Minimum | |
|-------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Grade | # of Employees | # of Employees | % of the Grade | # of Employees | % of the Grade |
| 1 | 0 | 0 | - | 0 | - |
| 2 | 0 | 0 | - | 0 | - |
| 3 | 0 | 0 | - | 0 | - |
| 4 | 0 | 0 | - | 0 | - |
| 5 | 0 | 0 | - | 0 | - |
| 6 | 0 | 0 | - | 0 | - |
| 7 | 0 | 0 | - | 0 | - |
| 8 | 4 | 0 | 0.00% | 1 | 25.00% |
| 9 | 9 | 0 | 0.00% | 1 | 11.11% |
| 10 | 4 | 0 | 0.00% | 0 | 0.00% |
| 11 | 6 | 0 | 0.00% | 0 | 0.00% |
| 12 | 5 | 0 | 0.00% | 1 | 20.00% |
| 13 | 2 | 0 | 0.00% | 0 | 0.00% |
| 14 | 2 | 0 | 0.00% | 0 | 0.00% |
| 15 | 1 | 0 | 0.00% | 0 | 0.00% |
| 16 | 2 | 0 | 0.00% | 0 | 0.00% |
| 17 | 3 | 0 | 0.00% | 0 | 0.00% |
| 18 | 0 | 0 | - | 0 | - |
| 19 | 1 | 0 | 0.00% | 0 | 0.00% |
| LW | 5 | 0 | 0.00% | 0 | 0.00% |
| Total | 44 | 0 | 0.00% | 3 | 6.82% |



Figure S1.6 At or Above Maximum

| | | At the Ma | ximum | Above the Maximum | | |
|-------|-----------|-----------|----------|-------------------|----------|--|
| Grade | Total | # of | % of the | # of | % of the | |
| arado | Employees | Employees | Grade | Employees | Grade | |
| 1 | 0 | 0 | - | 0 | - | |
| 2 | 0 | 0 | - | 0 | - | |
| 3 | 0 | 0 | - | 0 | - | |
| 4 | 0 | 0 | - | 0 | - | |
| 5 | 0 | 0 | - | 0 | - | |
| 6 | 0 | 0 | - | 0 | - | |
| 7 | 0 | 0 | - | 0 | - | |
| 8 | 4 | 1 | 25.00% | 0 | 0.00% | |
| 9 | 9 | 1 | 11.11% | 0 | 0.00% | |
| 10 | 4 | 2 | 50.00% | 0 | 0.00% | |
| 11 | 6 | 1 | 16.67% | 0 | 0.00% | |
| 12 | 5 | 2 | 40.00% | 0 | 0.00% | |
| 13 | 2 | 0 | 0.00% | 0 | 0.00% | |
| 14 | 2 | 0 | 0.00% | 0 | 0.00% | |
| 15 | 1 | 1 | 100.00% | 0 | 0.00% | |
| 16 | 2 | 1 | 50.00% | 0 | 0.00% | |
| 17 | 3 | 1 | 33.33% | 0 | 0.00% | |
| 18 | 0 | 0 | - | 0 | - | |
| 19 | 1 | 0 | 0.00% | 0 | 0.00% | |
| LW | 5 | 1 | 20.00% | 0 | 0.00% | |
| Total | 44 | 11 | 25.00% | 0 | 0.00% | |



S1.5 Above and Below Midpoint

Terminology:

- **Midpoint**: This is the central point or average within a pay range, often considered the benchmark for compensation that individuals could reasonably expect for comparable work in the market.

Best Practice:

In addition to examining the number of employee salaries at the minimum and maximum levels, a thorough analysis was conducted to ascertain the count of employees earning below or above the midpoint of the pay range. Employees with salaries close to the midpoint are typically presumed to be fully proficient in their classification, requiring minimal supervision for satisfactory job performance. Within this framework, the pay range midpoint represents the salary that an individual could reasonably expect for similar work in the market. Consequently, it is essential to scrutinize both the percentage and quantity of employees with salaries surpassing or falling below the calculated midpoint.

Findings:

FIGURE S1.7 displays the percentage of employees whose salaries are below or above their respective pay range midpoint. The percentages presented are based on the total number of employees in that classification. As can be seen, 7 (15.91%) employees are compensated below the midpoint and 31 (70.45%) are compensated above.





Figure S1.7
Above and Below Midpoint

| | | Below The | e Midpoint | Above the Midpoint | | |
|--------|-----------|-----------|------------|--------------------|----------|--|
| Crada | Total | # of | % of the | # of | % of the | |
| Grade | Employees | Employees | Grade | Employees | Grade | |
| 1 | 0 | 0 | - | 0 | - | |
| 2 | 0 | 0 | - | 0 | - | |
| 3 | 0 | 0 | - | 0 | - | |
| 4 | 0 | 0 | - | 0 | - | |
| 5 | 0 | 0 | - | 0 | - | |
| 6 | 0 | 0 | - | 0 | - | |
| 7 | 0 | 0 | - | 0 | - | |
| 8 | 4 | 1 | 25.00% | 3 | 75.00% | |
| 9 | 9 | 2 | 22.22% | 6 | 66.67% | |
| 10 | 4 | 0 | 0.00% | 4 | 100.00% | |
| 11 | 6 | 0 | 0.00% | 4 | 66.67% | |
| 12 | 5 | 1 | 20.00% | 4 | 80.00% | |
| 13 | 2 | 1 | 50.00% | 1 | 50.00% | |
| 14 | 2 | 1 | 50.00% | 0 | 0.00% | |
| 15 | 1 | 0 | 0.00% | 1 | 100.00% | |
| 16 | 2 | 0 | 0.00% | 2 | 100.00% | |
| 17 | 3 | 0 | 0.00% | 3 | 100.00% | |
| 18 | 0 | 0 | - | 0 | - | |
| 19 | 1 | 1 | 100.00% | 0 | 0.00% | |
| LW | 5 | 0 | 0.00% | 3 | 60.00% | |
| Totals | 44 | 7 | 15.91% | 31 | 70.45% | |



S1.6 Compression

Terminology:

- **Compression**: When the pay of one or more employees is very close to the pay of more-experienced employees in the same job, or even those in higher-level jobs, including managerial positions.

Best Practices:

Ideally, a compensation and classification system will have little to no compression. All employees will make less than their supervisors and all employees are at full pay equality, meaning their pay is aligned with their responsibility, experience, and tenure level.

There are two common forms of compressions that AutoSolve tests for, supervisor and actual vs expected pay.

Supervisor Compression: When a supervisor and their subordinate salaries are very similar, or the subordinate's salary is greater than their manager's. For example, if a Financial Analyst is making \$75,000 a year and their manager is making \$72,000 a year.

Actual Vs Expected Pay Compression: The second type of compression is seen when employees do not move properly through their salary ranges as they gain more years of experience within the organization. The analysis illustrates how far each employee has penetrated their pay range. The analysis is determined by assuming a 30-year employment lifetime, with the minimum of their salary range representing year 0 and the maximum representing year 30. For example, if an employee has 15 years of experience with the organization, their expected placement should be the midpoint of their salary range. Some of this compression is expected, however we want to highlight employees whose current salary is 10% below their expected salary.

Findings:

Figure S1.8 illustrates our analysis in determining the extent that Supervisor Compression is observed in the organization. Note, this compression analysis only reflects 41 of the 44 full time employees, since AutoSolve only received a supervisor assignment and salary for 41 full time employees.

We found that 18 employee's salaries are below 75% of their supervisor salary; 11 employees are between 75% and 85%; 9 employees are between 85% and 95%; 3 employees are between 95% and 100%; and 0 employees are above 100% of their supervisor's salaries.





The analysis concludes that there is minimal supervisor compression. With only 3 (7.38%) employees being compensated at or above 95% of their supervisor's salary.

Figure S1.8 Employee vs. Supervisor Compensation

| Grade | Less than 75% | 75% < X < 85% | 85% < X < 95% | 95% < X < 100% | Greater than 100% |
|-------|------------------|------------------|---------------|----------------|-------------------|
| 1 | 0 | 0 | 0 | 0 | 0 |
| 2 | 0 | 0 | 0 | 0 | 0 |
| 3 | 0 | 0 | 0 | 0 | 0 |
| 4 | 0 | 0 | 0 | 0 | 0 |
| 5 | 0 | 0 | 0 | 0 | 0 |
| 6 | 0 | 0 | 0 | 0 | 0 |
| 7 | 0 | 0 | 0 | 0 | 0 |
| 8 | 4 | 0 | 0 | 0 | 0 |
| 9 | 6 | 3 | 0 | 0 | 0 |
| 10 | 1 | 0 | 1 | 1 | 0 |
| 11 | 0 | 2 | 4 | 0 | 0 |
| 12 | 4 | 1 | 0 | 0 | 0 |
| 13 | 1 | 0 | 0 | 0 | 0 |
| 14 | 2 | 0 | 0 | 0 | 0 |
| 15 | 0 | 1 | 0 | 0 | 0 |
| 16 | 0 | 1 | 1 | 0 | 0 |
| 17 | 0 | 0 | 1 | 2 | 0 |
| 18 | 0 | 0 | 0 | 0 | 0 |
| 19 | 0 | 0 | 0 | 0 | 0 |
| LW | 0 | 3 | 2 | 0 | 0 |
| Total | 18 | 11 | 9 | 3 | 0 |



Figure S1.9 illustrates our analysis in determining the extent that Actual Vs Expected Pay Compression is observed in the organization.

Findings:

- 1 employee has a salary that is -10% of their expected placement.
- 3 employees have a salary between -10% and -5% of their expected placement.
- 10 employees have salaries between -5% and 5% of their expected placement.
- 8 employees have salaries between 5% and 10% of their expected placement.
- 22 employees have salaries more than 10% of their expected placement.

Currently 40 (90.90%) employees have a designated salary range at or above the -5% of their expected hire year pay. This indicates that most employees have been properly moved through their salary range relative to their hire.

Figure S1.9
Actual vs. Expected Pay (Hire Year)

| Grade | Less than -10% | -10 < X < -5% | -5% < X < 5% | 5% < X < 10% | Greater than 10% |
|-------|----------------|---------------|--------------|--------------|------------------|
| 1 | 0 | 0 | 0 | 0 | 0 |
| 2 | 0 | 0 | 0 | 0 | 0 |
| 3 | 0 | 0 | 0 | 0 | 0 |
| 4 | 0 | 0 | 0 | 0 | 0 |
| 5 | 0 | 0 | 0 | 0 | 0 |
| 6 | 0 | 0 | 0 | 0 | 0 |
| 7 | 0 | 0 | 0 | 0 | 0 |
| 8 | 0 | 0 | 1 | 0 | 3 |
| 9 | 0 | 0 | 2 | 1 | 6 |
| 10 | 0 | 0 | 0 | 1 | 3 |
| 11 | 1 | 1 | 1 | 1 | 2 |
| 12 | 0 | 0 | 1 | 1 | 3 |
| 13 | 0 | 1 | 1 | 0 | 0 |
| 14 | 0 | 0 | 0 | 2 | 0 |
| 15 | 0 | 0 | 1 | 0 | 0 |
| 16 | 0 | 0 | 1 | 1 | 0 |
| 17 | 0 | 1 | 1 | 0 | 1 |
| 18 | 0 | 0 | 0 | 0 | 0 |
| 19 | 0 | 0 | 0 | 1 | 0 |
| LW | 0 | 0 | 1 | 0 | 4 |
| Total | 1 | 3 | 10 | 8 | 22 |





S1.7 Findings and Conclusion

Outlined in this document (Section One), is a review and evaluation of the current compensation system for the City of New Prague, MN

The following was found:

- The General plan includes uniform range spreads and grade progressions.
- Separate Pay range for the Line Worker classification.
- Improper employee movement through salary ranges. Average tenure being less in quartile three than in quartile two.
- 0 employees are found below their minimums or above their maximums.
- 3 employees are within 5% of their supervisor's pay.
- 40 employees fall -5% or more below their expected hire year salary.

This assessment will function as the foundation for the ongoing assessment, review, and recommendations for improving the client's overall compensation system in conjunction with Sections two and three. AutoSolve will utilize this assessment along with market research, peer comparison, internal organization survey, and client input to make recommendations that will guarantee the new compensation system follows current best practices and is competitive with its operating markets.





Section Two: Anonymous Survey Breakdown

Section Two breakdowns the data collected from AutoSolve's Anonymous Internal Organizational Survey.

The survey functions as a tool to collect qualitative information about the organization, management, culture, work environment, and individual job duties/responsibilities. The objective of the survey is to collect feedback directly from employees to share with the City of New Prague, MN's management team to improve working conditions and employee sentiment. Additionally, the AutoSolve team will rely on the survey findings to inform the next phases and sections of the study.

Section Breakdown

S2.1 The Anonymous Internal Organizational Survey

S2.2 Anonymous Survey Responses Breakdown

S2.3 Findings and Conclusion





S2.1 The Anonymous Internal Organizational Survey

The Anonymous Internal Organizational Survey performed for New Prague, MN between July 18, 2025, to August 4, 2025. A total of 39 employees responded, with full-time employees reflecting an 81.82% response rate.

The Anonymous Internal Organizational Survey consist of 12 questions formatted as multiple choice, Yes/No, and open response. This survey provides all employees the opportunity to anonymously participate in the Compensation and Classification study. The questions are designed to gauge how employees feel about the organization in terms of their personal experience working for the City of New Prague, their working relationships, and their opinions on the overall organization of their employment. The data collected is subjective in nature, particularly the feedback provided by participants for the open response questions.

The following section is a breakdown analysis of the survey responses.

S2.2 Anonymous Survey Responses Breakdown

Question One

Question: "Do you feel fulfilled in your role?"

Response type: yes/no

92.3% of employees answered "yes," they do feel fulfilled in their current role. 7.69% of employees answered "no," they do not feel fulfilled in their current role.

Question Two

Question: "Are you satisfied with your workplace culture? Provide Reasoning" Response type: yes/no; open response

89.74% employees answered "yes," they do feel satisfied with the workplace culture. 10.25% answered "no," they do not feel satisfied with the workplace culture.

Majority of the respondents expressed that they enjoy going to work because of the positive work environment/culture. Employees emphasize teamwork, caring colleagues, and effective communication as elements of the workplace that they appreciate. Respondents also highlight their appreciation of the training and guidance they receive from leadership and shared commitment to positively serving the community. With an overwhelming number of respondents writing about teamwork, supportive collegial relationships, it is evident that New Prague fosters a positive work environment.

There are employees who are dissatisfied with leadership. Department affiliation is unclear, but the common thread is a dislike of micromanaging leadership style.





Question Three

Question: "Do you look forward to going to work?"

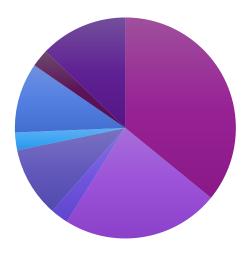
Response type: yes/no

87.18% of employees responded "yes," they do look forward to going to work 12.82%. responded "no," they do not look forward to work. Overall, most of New Prague's employees do look forward to work.

Question Four

Question: "Why have you stayed with the organization? What motivates you to stay?" Response type: Multiple choice

Participants were given 8 multiple choice options. "Job Satisfaction" and "Financial Need" are the top 2 significant motivating factors for continued employment. Below, is a breakdown of percentage for each response and a pie chart serving as a visual graphic of the results.



- Job Satisfaction
- Leadership
- N/A
- ■Close to Retirement
- Job Satisfaction 35.9%
- Financial Need 23%
- Strong Loyalty to Department 12.8%
- Colleague Relationships 10.25%

- Financial Need
- Colleague Relationships
- Organization Benefits
- Strong Loyalty to Department
 - Organization Benefits 10.25%
 - Leadership 2.6%
 - Close to Retirement 2.6%
 - N/A − 2.6%





Question Five

Question: "At work, have your ideas been heard/implemented? Provide reasoning." Response type: yes/no; open response

89.7% of employees responded "yes," they believe that their ideas are heard and implemented at work. 10.3% of employees responded with "no," their ideas are not heard or implemented at work.

Majority of respondents stated that when they voice concerns, ideas, or solutions their team and or leadership listen. There is a genuine sense of collaboration being valued by both employees and leadership across the city's departments.

Those who responded "no" typically acknowledged that their concerns about outdated and ineffective safety protocols are yet to be addressed. However, due to the nature of the anonymous survey, it is not clear which of New Prague's departments are struggling with safety concerns.

Question Six

Question: "In your current role, are there opportunities for continued professional development and opportunity for promotion?"
Response type: yes/no; open response

74.36% of participants responded with "yes," there are current opportunities for continued professional development and opportunity for promotion within their current role. 25.64% responded with "no."

Overall, the findings reveal that employees have access to and are encouraged to participate in ongoing professional training and education. Many employees take advantage of the offered training, reflecting a trend of obligation to participate in ongoing education. Opportunities for advancement are discussed with respondents stating that, dependent on job availability, they can progress into leadership positions.

Question Seven

Question: Is there someone at work who encourages your career development? Response type: yes/no

84.6% responded "yes," there is someone at work who encourages their career development. 15.4% responded "no," they do not receive encouragement at work for further career development.

Overall, the findings reveal that most employees are encouraged to pursue career development, which aligns with previous data reflecting high value of the potential for career advancement and fostering a positive workplace culture.





Question Eight

Question: Is your working relationship with your supervisor satisfactory? Response type: yes/no; open response

84.6% responded "yes," they find their working with relationship with their supervisor satisfactory. 15.4% responded "no," they do not find their working with relationship with their supervisor satisfactory.

The open response findings conclude that employees value open communication with leadership and feel comfortable seeking out their direct superiors for mentorship, questions, concerns, and ideas.

Question Nine

Question: "Are you provided adequate training and ongoing guidance to effectively perform your job?"
Response type: yes/no

92.3% of employees responded "yes," they are provided adequate training and ongoing guidance to effectively perform their job. 7.7% responded "no," they are not provided adequate training and ongoing guidance to effectively perform their job.

Question Ten

Question: "Do you have access to the materials and equipment needed to perform your iob?"

Response type: yes/no

95% of employees responded "yes," they do have access to the materials and equipment needed to perform their job. 5% responded "no," they do not have access to the materials and equipment needed to perform their job.

Question Eleven

Question: "Please share what you believe is working well in your organization." Response type: Open response

A significant number of participants highlight positive relationships with colleagues and strong collaborative work culture as core elements of New Prague that are working well. Another trend of note is open communication with some respondents writing about weekly meetings.





Additional positive elements of the organization include but are not limited to

- Momentum on public building projects
- High morale
- Ongoing employee lunch gatherings
- Strong civic duty shared dedication to serve the community

Question Twelve

Question: "What recommendations do you have that you feel can improve your organization?"

Response type: Open response

Due to the anonymous nature of the survey, it should be noted that department affiliations have been deduced from the self-disclosed information shared when answering the open response question.

Participants gave thoughtful responses to this question. Overall, recommendations made by employees to improve the organization revolve around:

- 1. **Competitive and transparent compensation** Across New Prague's agencies, there is a desire for completive salary increases and pay structure transparency
- 2. **Improve communication** regarding promotion growth structures, pay scales, and interdepartmental communication
- 3. **Update material infrastructure** acquire up-to-date industry standard tools, increase number of tools, offer computer training

The following are recommendations regarding workplace culture and leadership:

- Implement morale boosting and employee appreciation events/incentives
- Improve communication between supervisors and upper management
- Aim to support employee retention





S2.3 Findings and Conclusion

Outlined in this document (Section Two), is a review and evaluation of the Anonymous Internal Organizational Survey performed for the City of New Prague, MN.

To better understand and improve work culture, recruitment practices, and retention, it is important to understand the experiences of individual employees. The findings from this survey are valuable because they reflect the perspectives and voices of city employees across departments and employment types. From participant responses, we have gained insight about the organization's current work culture, provided employees a space to be heard, and gathered additional justification for revising pay ranges and job descriptions.

Takeaways from the Survey Findings

The following are core takeaways from the survey findings that have been organized into 3 categories: "Workplace culture," "Relationships with leadership," and "Infrastructure."

Workplace culture

- 89.74% of all participants are satisfied with their workplace culture, enjoy going to work, and feel fulfilled in their current roles.
- Majority of the respondents expressed that they enjoy going to work because of the positive work environment, noting that they feel valued and supported by leadership and fellow colleagues.
- Workplace culture is discussed across the open response questions, with many describing their work environment as being team oriented.

Relationships with leadership

- 84.6% responded "yes," they do find their working relationship with their supervisor satisfactory.
- Majority of employees value open communication with leadership and feel comfortable seeking out their direct superiors for mentorship, questions, concerns, and ideas.
- Those in leadership are consistently discussed as fostering positive work culture, being a reliable resource for subordinates to turn to, and encouraging ongoing training.

Infrastructure

 95% of employees responded "yes," they do have access to the materials and equipment needed to perform their job and 92.3% % of employees responded "yes," they are provided adequate training and ongoing guidance to effectively perform their job.





 However, the open response questions reveal that there is a department(s) in need of material infrastructure improvements (i.e. more tools).

Opportunities for Improvement

There are 3 points that have been highlighted as "Opportunities for Improvement," that are material changes/goals that may have a positive impact on the organization culture and employee experiences.

- 1. Implement compensation increases
- 2. Allocate funding to support employee retention
- 3. Continue to support open communication and morale boosting endeavors

Moving Forward

The analysis of participant responses illustrates a need for pay adjustment, justifying the development and implementation of a new employee pay plan. It also reflects that New Prague, MN fosters a positive and supportive community amongst its employees.

In the next phase of this study, AutoSolve will analyze the market survey results and create a new employee compensation system that aligns with industry standards and address the valid compensation concerns raised by participants of the Anonymous Internal Organizational Survey.





Section Three: Compensation Evaluation – Market Survey

Section Three is a breakdown of the external equity analysis portion of the study. The analysis conducted serves as a snapshot in time, capturing the City's current compensation market position as of August 2025.

AutoSolve performed a comprehensive examination of the City's compensation structure, comparing the New Prague City's salary ranges to select peer organizations. This section also provides a breakdown of the selected peer organizations' benefit offerings.

This examination is informed by an analysis of the City's "Operating Market and/or Competitive Market." The "Operating Market and/or Competitive Market" is made up of the data collected from 20 select peer organizations. These peer organizations were solicited by AutoSolve. The conducted salary survey collected data on the average salary ranges of 31 classifications across the 20 peer organizations.

Section Breakdown

- S3.1 Peer Selections
- S3.2 Overall Market Results
- **S3.3 Market Minimums**
- S3.4 Market Midpoints
- S3.5 Market Maximums
- S3.6 Benefit Survey
- **S3.7 Findings and Conclusions**





S3.1 Peer Selections

Terminology:

- Consumer Price Index: The Consumer Price Index (CPI) is a statistical measure that tracks the average change over time in the prices paid by urban consumers for a basket of goods and services. It is one of the most widely used indicators for measuring inflation and assessing price changes in an economy. The CPI reflects the purchasing patterns of consumers and provides valuable insight about the cost of living and the rate of inflation.

The calculation of CPI involves the following steps:

- 1. **Basket of Goods and Services:** A representative basket of goods and services that are typically purchased by urban consumers is selected. This basket is composed of various items such as food, housing, transportation, healthcare, and entertainment.
- 2. **Price Data Collection:** Prices for the items in the basket are collected regularly from a wide range of retail outlets, service providers, and other sources. The prices are usually collected monthly but can vary depending on the frequency of the index.
- 3. **Weighting:** Each item in the basket is assigned a weight based on its relative importance in the average consumer's spending. The weights reflect the proportion of total expenditure allocated to each item.
- 4. **Index Calculation:** The prices of the items in the basket are combined using the assigned weights to calculate a weighted average price. This average price is then compared to a base period (usually set to 100) to determine the percentage change in prices over time.

The CPI provides valuable information for various purposes, including:

- Inflation Monitoring: CPI is a key indicator used by policymakers, economists, and businesses to monitor inflationary trends and assess the effectiveness of monetary and fiscal policies.
- Cost-of-Living Adjustments: CPI is often used to adjust wages, pensions, and other payments for changes in the cost of living, ensuring that they maintain their purchasing power over time.
- Economic Analysis: CPI data is used in economic analysis to evaluate consumer spending patterns, assess market trends, and inform decision-making processes.





When selecting the City's peer market for comparison, the goal is to create an operating market that is made up of organizations with similar characteristics to the City. Example characteristics include location, size, and socioeconomic factors.

One important factor is location. By picking organizations that are close in proximity to the City, we ensure that AutoSolve is collecting sample data from organizations competing for the same top talent in the area.

Another important factor is population. To obtain a realistic picture of how a particular position should be compensated, it is important to gather data from peers who serve similar populations.

Of the 20 select peers AutoSolve contacted, we received full or partial market salary data for the matching classifications from 17 peers.

Once the peer operating market is created and the data is collected, AutoSolve then adjusts all data based on the organizations cost of living (COL). AutoSolve uses national cost of living indexes gathered from COLI.org. COLI utilized CPI as part of their COL calculations.

AutoSolve then applies a COL factor (COL Index for the City divided by the COL Index for the peer location). This step is important because adjusting each peers' date to the cost of living in the City allows for a more accurate comparison between the peers in terms of spending power relative to the City of New Prague.

FIGURE S3.1 provides a breakdown of the peers utilized in the study, which peers we received data from, and the COLI factor for each.





FIGURE S3.1 Market Peers

| Peer Name | Cost of Living Index | COLI Factor |
|-----------------------------|----------------------|-------------|
| New Prague, MN | 101.27 | |
| City of Forest Lake, MN | 108.07 | 0.937 |
| City of Jordan, MN | 105.39 | 0.961 |
| City of Credit River, MN | 105.39 | 0.961 |
| City of Elk River, MN | 100.30 | 1.010 |
| City of Elko New Market, MN | 105.39 | 0.961 |
| Le Sueur County, MN | 101.27 | 1.000 |
| City of Lonsdale, MN | 99.76 | 1.015 |
| City of Montgomery, MN | 101.27 | 1.000 |
| City of Northfield, MN | 99.76 | 1.015 |
| City of Prior Lake, MN | 105.39 | 0.961 |
| Scott County, MN | 105.39 | 0.961 |
| City of Belle Plaine, MN | 105.39 | 0.961 |
| City of Buffalo, MN | 100.65 | 1.006 |
| City of Savage, MN | 105.39 | 0.961 |
| City of Farmington, MN | 105.18 | 0.963 |
| City of Le Center, MN | 101.27 | 1.000 |
| City of Shakopee, MN | 105.39 | 0.961 |





S3.2 Overall Market Results

FIGURE S3.2 is the summary findings of the data gathered form the Market Survey. From the participating 17 peers, 240 data points were gathered for this comparative analysis.

FIGURE S3.2A Market Survey Results

| Classifications | Min | % Dif | Mid | % Dif | Max | % Dif | Range Spread | Number of Respondents |
|--------------------------------------|--------------|---------|--------------|-------------|--------------|--------|-----------------|-----------------------|
| Accounting Technician | \$61,624.13 | -4.48% | \$70,162.76 | -3.87% | \$78,701.40 | -1.81% | 27.71% | 13 |
| Administrative Assistant | \$56,805.10 | -4.95% | \$64,986.34 | -4.90% | \$73,167.58 | -3.20% | 28.80% | 12 |
| Administrative Coordinator | \$71,786.16 | -11.11% | \$81,371.17 | - 10.07% | \$90,956.18 | -7.64% | 26.70% | 9 |
| Building Inspector | \$78,637.36 | -3.00% | \$88,994.68 | -1.81% | \$99,352.00 | 0.76% | 26.34% | 9 |
| Building Official | \$96,387.89 | -6.12% | \$109,522.43 | -5.31% | \$122,656.97 | -3.08% | 27.25% | 7 |
| City Administrator | \$141,394.58 | -1.34% | \$161,662.36 | -1.17% | \$181,930.13 | 0.57% | 28.67% | 16 |
| Customer Service/Acct'G | \$52,244.40 | 3.41% | \$61,578.58 | 0.49% | \$70,912.77 | -0.07% | 35.73% | 4 |
| Electric Operations Supervisor | \$98,087.79 | 0.74% | \$113,417.28 | -0.20% | \$128,746.77 | 0.70% | 31.26% | 1 |
| Finance Director | \$114,898.07 | 2.17% | \$131,581.14 | 2.17% | \$148,264.21 | 3.81% | 29.04% | 15 |
| Food and Beverage Worker | \$29,401.21 | - | \$31,501.29 | - | \$33,601.38 | - | 14.29% | 1 |
| General Manager - Electric and Water | - | - | - | - | - | - | - | 0 |





FIGURE S3.2B Market Survey Results

| Classifications | Min | % Dif | Mid | % Dif | Max | % Dif | Range Spread | Number of Respondents |
|---------------------------|--------------|---------|--------------|---------|--------------|---------|-----------------|-----------------------|
| Generation Supervisor | \$66,298.61 | 14.05% | \$75,388.28 | 14.76% | \$84,477.95 | 16.94% | 27.42% | 1 |
| Golf Attendant | - | - | - | - | - | - | - | 0 |
| Golf Maintenance Worker | - | - | - | - | - | - | - | 0 |
| Golf Superintendent | - | - | - | - | - | - | - | 0 |
| Lineman | \$85,008.02 | -2.17% | \$98,286.60 | 1.23% | \$111,565.18 | 6.50% | 31.24% | 1 |
| Maintenance Worker | \$59,160.83 | -0.40% | \$68,418.74 | -1.36% | \$77,676.65 | -0.50% | 31.30% | 14 |
| Mechanic | \$65,971.42 | -2.67% | \$75,843.85 | -3.04% | \$85,716.27 | -1.71% | 29.93% | 11 |
| Parks Maintenance Worker | \$58,629.53 | -8.11% | \$66,285.98 | -6.88% | \$73,942.43 | -4.25% | 26.12% | 9 |
| Parks Supervisor/Maint. | \$75,863.51 | 0.59% | \$85,929.01 | 1.70% | \$95,994.50 | 4.20% | 26.54% | 8 |
| Permit Specialist | \$59,795.89 | -1.46% | \$69,489.09 | -2.91% | \$79,182.29 | -2.42% | 32.42% | 9 |
| Planner | \$77,127.00 | -1.06% | \$88,809.13 | -1.60% | \$100,491.26 | -0.38% | 30.29% | 12 |
| Planning Director | \$112,176.40 | -4.05% | \$128,268.41 | -3.91% | \$144,360.43 | -2.16% | 28.69% | 10 |
| Police Chief | \$122,831.99 | -4.51% | \$139,765.19 | -3.86% | \$156,698.40 | -1.72% | 27.57% | 13 |
| Police Records Technician | \$56,556.82 | 4.10% | \$65,555.30 | 2.92% | \$74,553.77 | 3.61% | 31.82% | 11 |
| Public Works Director | \$121,132.05 | -11.72% | \$138,106.29 | -11.29% | \$155,080.52 | -9.32% | 28.03% | 13 |
| Public Works Supervisor | \$88,324.79 | -14.59% | \$100,484.94 | -13.93% | \$112,645.09 | -11.78% | 27.54% | 10 |
| Utility Billing | \$59,830.28 | -1.52% | \$68,190.44 | -1.02% | \$76,550.60 | 0.96% | 27.95% | 9 |
| Wastewater Operator | \$65,025.55 | -1.23% | \$74,575.54 | -1.36% | \$84,125.53 | 0.16% | 29.37% | 8 |
| Wastewater Operator II | \$73,812.52 | -5.28% | \$84,488.32 | -5.23% | \$95,164.13 | -3.56% | 28.93% | 8 |
| Wastewater Superintendent | \$92,269.41 | -1.75% | \$105,133.89 | -1.22% | \$117,998.36 | 0.79% | 27.88% | 6 |
| With Outliers | | -2.56% | | -2.37% | | -0.56% | | |
| Without Outliers | | -3.44% | | -3.37% | | -1.68% | 28.48% | 240 |

^{*}Outliers: Outliers are defined as classifications that received less than three responses and had a differential above or below 40%.





S3.3 Market Minimums

Terminology:

- **Average Market Minimum**: This metric serves as a benchmark to understand the prevailing wage rates for beginners or newcomers in the workforce within that context.
- **Starting Wage:** The starting wage refers to the average or median minimum wage level that is observed within a specific market, industry, or geographic region for entry-level positions or starting roles.

This section breaks down the peer average market minimum data for each classification's range minimum in the City. Pay range minimums are generally considered a starting wage for employees who meet the minimum qualifications for the classification. Those employees with salaries at or near the range minimums are generally new to the role and have most likely not acquired the skills and experience necessary to be fully proficient in their classification.

Findings:

Utilizing the data gathered in the salary survey, the following conclusions can be reached:

- Based on the market findings, the City is currently 3.44% below their average market minimum. FIGURE S3.3 and S3.4 highlight the classifications that were found to be 10% or more below and 10% or more above the surveyed market minimum.
- As reflected in the following charts, there are 3 classifications that fall below 10% of the average minimum, and 1 classifications are above 10% of the average minimum.





FIGURE S3.3 Classifications 10% below the Market Minimum.

| Classifications | % Dif |
|----------------------------|---------|
| Public Works Supervisor | -14.59% |
| Public Works Director | -11.72% |
| Administrative Coordinator | -11.11% |

FIGURE S3.4 Classifications 10% Above the Market Minimum.

| Classifications | % Dif |
|-----------------------|--------|
| Generation Supervisor | 14.05% |





S3.4 Market Midpoints

Terminology:

- **Average Market Midpoint**: The term "Average Market Midpoint" refers to the average or median salary midpoint that is observed within a specific market, industry, or geographic region for entry-level positions or starting roles. The midpoint typically represents the central value or average between the minimum and maximum salary ranges for a particular job or position. The midpoint is also considered the best point of comparison when analyzing difference between and organization and their market peers.

This section breaks down the peer average market midpoint data compared to each classification's range midpoint in the City. A pay range midpoint is general considered an adequate salary position for employees who are fully proficient in their job's duties and responsibilities.

Findings:

Utilizing the data gathered in the salary survey, the following conclusions can be reached:

- The City is currently **3.37% below** their average market midpoint. **FIGURE S3.5** and **S3.6** highlight the classifications that were found to be 10% or more below and 10% or more above the surveyed market midpoint.
- There are 3 classifications that fall below 10% of the average midpoint, and 1 classifications that are above 10% of the average midpoint.





FIGURE S3.5 Classifications 10% below the Market Midpoint.

| Classifications | % Dif |
|----------------------------|---------|
| Public Works Supervisor | -13.93% |
| Public Works Director | -11.29% |
| Administrative Coordinator | -10.07% |

FIGURE S3.6 Classifications 10% Above the Market Midpoint

| Classifications | % Dif |
|-----------------------|--------|
| Generation Supervisor | 14.76% |





S3.5 Market Maximums

Terminology:

- Average Market Maximums: The term "Average Market Maximums" refers to the average or median highest value observed within a specific market, industry, or geographic region for a particular metric, such as wages, prices, or performance levels. In the context of compensation or pricing, the "Average Market Maximums" would represent the average highest salary, wage, or price that is typically offered or charged within a given market or industry.

This section breaks down the peer average market maximum data for each classification's range maximum in the City. Pay range maximums are generally utilized to attract highly qualified employees and to retain highly experienced employees. It can also refer to the average highest salary levels observed for specific job roles or positions within a particular industry or region. This metric provides insights into the upper limits of compensation and helps stakeholders understand the competitive landscape for attracting and retaining talent.

Findings:

Utilizing the data gathered in the salary survey for the benchmarked positions with stated salary ranges, the following conclusions can be reached:

- The City is currently 1.68% below the average market maximum. FIGURE S3.7 and S3.8 highlight the classifications that were found to be 10% or more below and 10% or more above the surveyed market maximum.
- There are 1 classifications that fall below the 10% of the average maximum, and 1 classifications that are above 10% of the average maximum.





FIGURE S3.7 Classifications 10% below the Market Maximum

| Classifications | % Dif |
|-------------------------|---------|
| Public Works Supervisor | -11.78% |

FIGURE S3.8 Classifications 10% Above the Market Maximum

| Classifications | % Dif |
|-----------------------|--------|
| Generation Supervisor | 16.94% |





S3.6 Benefits Survey

The following section provides a breakdown of the Market Peers' current benefit offerings. AutoSolve received full or partial benefit information from 11of the 17 peers. The average number of health plans and retirement plans offered by the participating peers was **2.18** and **2** plans per peer respectively. The average number of holidays observed among the participating peers not including PTO, sick, or personal leave is **12.15** days year. (**HSA***: "Health Saving Account"; **OAP****: "Open Access Plan")

Figure S3.9
Peer Health Plans Breakdown

| Health Plan Details | Average of HSA* | Average of OAP** | Average of Other Plans |
|--|-----------------|------------------|------------------------|
| DOLLAR AMOUNT monthly of employee premium paid by employer | 702.64 | 916.97 | 760.95 |
| DOLLAR AMOUNT monthly of employee premium paid by employee | \$12.36 | \$62.72 | \$68.99 |
| DOLLAR AMOUNT monthly of employee plus child premium paid by employer | \$982.82 | \$1,329.14 | \$1,233.40 |
| DOLLAR AMOUNT monthly of employee plus child premium paid by employee | \$116.19 | \$425.19 | \$190.17 |
| DOLLAR AMOUNT monthly of employee plus spouse premium paid by employer | \$1,120.00 | \$1,561.27 | \$1,233.40 |
| DOLLAR AMOUNT monthly of employee plus spouse premium paid by employee | \$403.06 | \$502.57 | \$190.17 |
| DOLLAR AMOUNT monthly of employee plus <u>family</u> premium paid by employer | \$1,209.16 | \$1,963.42 | \$1,532.90 |
| DOLLAR AMOUNT monthly of employee plus family premium paid by employee | \$606.99 | \$768.88 | \$421.94 |
| Individual Maximum Deductible In Network | \$2,950.00 | \$2,150.00 | \$2,300.00 |
| Individual Maximum Deductible Out of Network | \$7,211.11 | \$6,033.33 | \$4,187.50 |
| Employee Plus <u>Child</u> Maximum Deductible In Network | \$5,950.00 | \$4,300.00 | \$4,400.00 |
| Employee Plus <u>Child</u> Maximum Deductible Out of Network | \$14,257.14 | \$12,066.67 | \$8,800.00 |
| Employee Plus Spouse Maximum Deductible In Network | \$7,775.00 | \$4,300.00 | \$4,400.00 |
| Employee Plus <u>Spouse</u> Maximum Deductible Out of Network | \$14,257.14 | \$12,066.67 | \$8,800.00 |
| Employee Plus Family Maximum Deductible In Network | \$7,360.00 | \$4,300.00 | \$4,787.50 |
| Employee Plus Family Maximum Deductible Out of Network | \$15,533.33 | \$12,066.67 | \$8,375.00 |





Figure S3.10
Number of Health Plan Data Received

| Number of Plan Data Received | | |
|------------------------------|----|--|
| OAP | 3 | |
| HSA | 9 | |
| Other | 12 | |
| Total | 24 | |

FIGURE S3.11 Dental and Vision

| Supplemental Health Plan Details | Dental Insurance | Vision Insurance |
|--|------------------|------------------|
| Number of Peers Offering Each Plan | 12.00 | 12.00 |
| Average Number of Plans Offered | 1.20 | 1.11 |
| DOLLAR AMOUNT monthly of employee premium paid by employer | \$28.19 | \$0.53 |
| DOLLAR AMOUNT monthly of employee premium paid by employee | \$11.24 | \$3.72 |
| DOLLAR AMOUNT monthly of employee plus child premium paid by employer | \$46.29 | \$1.06 |
| DOLLAR AMOUNT monthly of employee plus child premium paid by employee | \$40.00 | \$8.39 |
| DOLLAR AMOUNT monthly of employee plus spouse premium paid by employer | \$45.12 | \$1.51 |
| DOLLAR AMOUNT monthly of employee plus spouse premium paid by employee | \$35.18 | \$8.02 |
| DOLLAR AMOUNT monthly of employee plus <u>family</u> premium paid by employer | \$64.65 | \$1.97 |
| DOLLAR AMOUNT monthly of employee plus family premium paid by employee | \$50.16 | \$10.53 |





FIGURE S3.12 Disability Insurance

| Short and Long Term Disability | Number of peers who offer employees the following types of insurance. | Average percentage of salary employees receive. |
|-------------------------------------|---|---|
| Employer Paid Short Term Disability | 3 | 45.00% |
| Employee Paid Short Term Disability | 5 | 60.00% |
| Employer Paid Long Term Disability | 7 | 61.00% |
| Employee Paid Long Term Disability | 4 | 30.00% |

FIGURE S3.13 Life Insurance

| Life Insurance | Response |
|--|-------------|
| Number of Peers Offering Employee paid life insurance. | 10 |
| Cost monthly to employer for individual coverage | \$5.68 |
| Number of employer-paid life insurance offering a flat amount. | 11 |
| Average amount of death benefit. | \$41,000.00 |
| Number of peers whose employer-paid life insurance based on earning. | 2 |
| Number of peers whose employer-paid life insurance based on age? | 6 |
| Number of Peers offering Optional dependent coverage. | 8 |
| Number of Peers that offer employees the ability to purchase (additional) life insurance if desired. | 9 |
| Number of peers offering accidental death insurance provided. | 11 |





FIGURE S3.14
Number of Retirement Plan Data Received

| Number of Pension Plan Data Received | | |
|--------------------------------------|----|--|
| MSRS | 4 | |
| PERA | 8 | |
| 457b | 4 | |
| Other | 6 | |
| Total | 22 | |

FIGURE S3.15
Peer Retirement Benefits Breakdown

| Retirement Plans | Average |
|--|---------|
| Years required to fully vest. | 2.08 |
| What percent of salary does the organization contribute to this retirement option. | 4.83% |
| Percent of salary does the employee contribute to this retirement option. | 6.59% |

FIGURE S3.16 Retire Benefits

| Retiree Benefits | Number of Peers offering the following retiree benefits. |
|------------------|--|
| Health Insurance | 5 |
| Dental Insurance | 5 |
| Life Insurance | 5 |





FIGURE S3.17 Paid Time Off

| Paid Time Off | Number of Peers Offering | Average Yearly Amount in Days | Average Minimum Accrual Rate in Hours (Monthly). | Average years of service does it require to begin to accrue the minimum rate. | Average Maximum Accrual Rate in Hours (Monthly) | Average number of years of service it require to begin to accrue the maximum rate. |
|---|-----------------------------|----------------------------------|---|---|--|--|
| Sick Leave | 8 | 11.14 | 7.20 | 0.00 | 247.00 | 0.00 |
| Annual/Vacation Leave | 8 | 16.48 | 6.81 | 0.08 | 13.03 | 18.00 |
| Personal Leave | 5 | 6.00 | 9.00 | 0.00 | 9.00 | 0.00 |
| Paid Time Off (single pool that can be used for sick, vacation, and personal leave) | 4 | 20.83 | 13.03 | 0.00 | 22.55 | 20.67 |
| Bereavement Leave | 9 | 3.33 | 12.00 | 0.00 | 12.00 | 0.00 |
| Parental Leave | 6 | 37.00 | - | - | - | - |





FIGURE S3.18 Sick Leave

| Sick and Vacation Leave Policies | Number of Peers Offering benefit. | Number of Peers capping hours at a certain amount | Average maximum number of hours that can be paid/used. |
|--|-----------------------------------|---|--|
| Unused sick leave paid out upon voluntary separation. | 7 | 3 | 301.25 |
| Unused sick leave paid out upon involuntary separation. | 3 | 1 | 480.00 |
| Unused sick leave count towards retirement. | 1 | 0 | - |
| Unused annual/vacation leave paid out upon voluntary separation. | 10 | 1 | 480.00 |
| Unused annual/vacation leave paid out upon involuntary separation. | 5 | 0 | - |
| Unused annual/vacation leave count towards retirement. | 0 | 0 | - |





FIGURE S3.19 Longevity Pay

| Longevity Pay | Response |
|--|---------------------------|
| How many organization offer Longevity Pay? | 6 |
| If yes, please describe the criteria in which an employee can receive longevity pay. | See Individual Responses* |
| How many organizations offer longevity pay to all employees? | 2 |

^{*} Peers responses regarding criteria in which an employee can receive longevity pay

City of Belle Plain, MN: Based on years of service.

City of Forest Lake, MN: LELS employee gets additional 3% at year 6, 5% at year 10, 7% at year 15 years plus.

Le Sueur County, MN: Per month: 10 years = \$40; 20 years = \$65; 30 years = \$80

City of Montgomery, MN: Receive an additional step after ten (10) consecutive years of full-time employment with the city. Part-time work prior to full-time appointment does not count towards the 10 years.

City of Prior Lake, MN: Added percentage on base salary depending on years of service





S3.7 Findings and Conclusions

After conducting the market survey and breaking down the results, here are the key findings:

- City of New Prague is 3.44% below the market minimum.
- City of New Prague is **3.37%** below the market midpoint.
- City of New Prague is **1.68%** below the market maximum.

The City of New Prague current pay system is on average 3.44% below their operating market. AutoSolve will account for these findings when proposing the new employee compensation system, paying special attention to the classifications that were found to be below their market minimums, midpoints, and maximums.





Section Four: Project Summary - Proposed Compensation System

Section Four is the aggregate of the analysis and findings discovered in Section One: Review of the Current Pay Plan, Section Two: The Anonymous Survey, and Section Three: Compensation Evaluation – Market Survey. The recommendations proposed in this section take into consideration both Internal Factors (direction of the organization set by leadership, culture, current retention pit falls, and discretionary resources available) and External Factors (market competitiveness regarding compensation and current recruitment pitfalls) currently affecting the organization. Each factor was examined thoroughly in one of the previous three sections. The combined findings were utilized to create the following recommendations.

Section Breakdown

- **S4.1 Study Summary Findings**
- **S4.2 Study Recommendations**
- **S4.3 Compensation Management System and Periodic Maintenance**





S4.1 Study Summary Findings

Client Specified Issues, Needs, and Compensation Philosophy

AutoSolve is recommending a market average proposed pay plan and to increase the step plan from 11 steps to 15. This recommendation keeps the City of New Prague's salary ranges at am appropriate level to keep them competitive in recruiting new talent and supports employee retention.

Section One: Review of the Current Pay Plan System:

The first step in the study was reviewing the internal equity of the organization. The AutoSolve team performed a deep dive into the current compensation structure utilized by City of New Prague. This detailed analysis provided the foundation for AutoSolve's recommendations. Listed below are the summary findings from Section One.

- The General plan includes uniform range spreads and grade progressions.
- Separate Pay range for the Line Worker classification.
- Improper employee movement through salary ranges. Average tenure being less in quartile three than in quartile two.
- 0 employees are found below their minimums or above their maximums.
- 3 employees are within 5% of their supervisor's pay.

Section Two: Anonymous Survey:

The Anonymous Survey collected qualitative information about the organization, management, culture, and work environment from current employees. The data was then used to assess the internal equity of the Town and determine Opportunities for Improvement. Listed below are the proposed improvements that AutoSolve gathered from Section Two.

- Implement morale boosting and employee appreciation events/incentives.
- Improve communication between supervisors and upper management.
- Aim to support employee retention.





Section Three: Compensation Evaluation – Market Survey:

The Market Survey is a comprehensive examination of City of New Prague's compensation and benefit structure. The organization's external equity was evaluated by comparing City of New Prague's salary ranges and benefits to selected peer organizations. Listed below are the summary findings gathered from Section Three.

- City of New Prague is 3.44% below the market minimum.
- City of New Prague is 3.37% below the market midpoint.
- City of New Prague is **1.68%** below the market maximum.





S4.2 Study Recommendations

Based on the combined findings found from each section of this study and the compensation philosophy for City of New Prague, AutoSolve recommends the following to addresses and resolves recruitment, retention, and compression issues:

- Recommended Implementation date of January 1st, 2026.
- Created Two pay plans: General Full Time Plan and a General Part Time Plan.
- Brought the General plans' proposed grade minimums to the market average.
- Brought all General Full Time grade range spreads to 46.00%.
- Increased the number of steps in the plan from 11 to 15.
- Propose Implementation Option: **Bring to New Minimum** for Part-Time Employees. This implementation option adjusts each employee's salary to at least the minimum of the new proposed pay grade. If the part time employee's wage is already at or above the new proposed minimum, then the employee will not receive a "Bring to New Minimum" adjustment.
- Proposed the Implementation Option: Bring to New Minimum or a 3.30% increase for Full-Time Employees. This implementation option adjusts each employee salary to the minimum of the new proposed pay grade. If the employee's current salary is already above the proposed minimum, then they will receive a salary increase of 3.30%. This option places all employees into their new proposed salary range and it guarantees a fair and equitable increase to all employees
- The 3.30% aligns with the average increase of per capita income over the past ten years within Le Sueur County, MN.





Recommended Proposed Pay Plans

The following charts found on **FIGURE S4.1** through **FIGURE S4.2** are the recommended proposed pay plans for City of New Prague's employees. The proposed pay plans were created to be at the market average relative to City of New Prague's market peers. (City of New Prague's market peers utilized for this study are found in **FIGURE S4.1** on page***).

The proposed pay plans characteristics are as follows:

General Plan (Full Time)

- Number of Pay Grades: 16

Average Range Spread: 46.00%Smallest Minimum: \$55,650.00

Largest Maximum: \$207,600.15Number of Departments: 12

- Employees Assigned: 45

General (Part Time)

- Number of Pay Grades: 1

- Average Range Spread: 70.00%

Smallest Minimum: \$24,960.00 (\$12.00/Hr)Largest Maximum: \$42,432.00 (\$20.40/Hr)

Number of Departments: 4Employees Assigned: 41





Figure S4.1A
Proposed General Plan (FT)

| Grade | Proposed Min | Proposed Midpoint | Proposed Maximum | Range Spread | Min Grade Progression | Step Progression |
|-------|--------------|----------------------|------------------|--------------|--------------------------|---------------------|
| G1 | \$55,650.00 | \$68,449.50 | \$81,249.00 | 46.00% | - | 2.74% |
| G2 | \$59,545.50 | \$73,240.97 | \$86,936.43 | 46.00% | 7.00% | 2.74% |
| G3 | \$62,522.78 | \$76,903.01 | \$91,283.25 | 46.00% | 5.00% | 2.74% |
| G4 | \$65,648.91 | \$80,748.16 | \$95,847.41 | 46.00% | 5.00% | 2.74% |
| G5 | \$68,931.36 | \$84,785.57 | \$100,639.78 | 46.00% | 5.00% | 2.74% |
| G6 | \$72,377.93 | \$89,024.85 | \$105,671.77 | 46.00% | 5.00% | 2.74% |
| G7 | \$75,996.82 | \$93,476.09 | \$110,955.36 | 46.00% | 5.00% | 2.74% |
| G8 | \$79,796.66 | \$98,149.90 | \$116,503.13 | 46.00% | 5.00% | 2.74% |
| G9 | \$87,776.33 | \$107,964.89 | \$128,153.44 | 46.00% | 10.00% | 2.74% |
| G10 | \$92,165.15 | \$113,363.13 | \$134,561.12 | 46.00% | 5.00% | 2.74% |
| G11 | \$96,773.41 | \$119,031.29 | \$141,289.17 | 46.00% | 5.00% | 2.74% |
| G12 | \$104,515.28 | \$128,553.79 | \$152,592.31 | 46.00% | 8.00% | 2.74% |
| G13 | \$112,876.50 | \$138,838.10 | \$164,799.69 | 46.00% | 8.00% | 2.74% |
| G14 | \$121,906.62 | \$149,945.14 | \$177,983.67 | 46.00% | 8.00% | 2.74% |
| G15 | \$131,659.15 | \$161,940.75 | \$192,222.36 | 46.00% | 8.00% | 2.74% |
| G16 | \$142,191.88 | \$174,896.01 | \$207,600.15 | 46.00% | 8.00% | 2.74% |





Figure S4.1B Proposed General Plan (FT Steps)

| Grade | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| G1 | \$55,650.00 | \$57,174.80 | \$58,741.38 | \$60,350.88 | \$62,004.49 | \$63,703.40 | \$65,448.86 | \$67,242.15 |
| G2 | \$59,545.50 | \$61,177.04 | \$62,853.28 | \$64,575.45 | \$66,344.80 | \$68,162.64 | \$70,030.28 | \$71,949.10 |
| G3 | \$62,522.78 | \$64,235.89 | \$65,995.94 | \$67,804.22 | \$69,662.04 | \$71,570.77 | \$73,531.80 | \$75,546.56 |
| G4 | \$65,648.91 | \$67,447.68 | \$69,295.74 | \$71,194.43 | \$73,145.14 | \$75,149.31 | \$77,208.39 | \$79,323.88 |
| G5 | \$68,931.36 | \$70,820.07 | \$72,760.52 | \$74,754.15 | \$76,802.40 | \$78,906.77 | \$81,068.81 | \$83,290.08 |
| G6 | \$72,377.93 | \$74,361.07 | \$76,398.55 | \$78,491.86 | \$80,642.52 | \$82,852.11 | \$85,122.25 | \$87,454.58 |
| G7 | \$75,996.82 | \$78,079.12 | \$80,218.48 | \$82,416.45 | \$84,674.65 | \$86,994.72 | \$89,378.36 | \$91,827.31 |
| G8 | \$79,796.66 | \$81,983.08 | \$84,229.40 | \$86,537.27 | \$88,908.38 | \$91,344.46 | \$93,847.28 | \$96,418.68 |
| G9 | \$87,776.33 | \$90,181.39 | \$92,652.34 | \$95,191.00 | \$97,799.22 | \$100,478.90 | \$103,232.01 | \$106,060.54 |
| G10 | \$92,165.15 | \$94,690.46 | \$97,284.96 | \$99,950.55 | \$102,689.18 | \$105,502.85 | \$108,393.61 | \$111,363.57 |
| G11 | \$96,773.41 | \$99,424.98 | \$102,149.21 | \$104,948.08 | \$107,823.64 | \$110,777.99 | \$113,813.29 | \$116,931.75 |
| G12 | \$104,515.28 | \$107,378.98 | \$110,321.14 | \$113,343.93 | \$116,449.53 | \$119,640.23 | \$122,918.35 | \$126,286.29 |
| G13 | \$112,876.50 | \$115,969.30 | \$119,146.84 | \$122,411.44 | \$125,765.49 | \$129,211.45 | \$132,751.82 | \$136,389.19 |
| G14 | \$121,906.62 | \$125,246.84 | \$128,678.58 | \$132,204.35 | \$135,826.73 | \$139,548.36 | \$143,371.96 | \$147,300.33 |
| G15 | \$131,659.15 | \$135,266.59 | \$138,972.87 | \$142,780.70 | \$146,692.87 | \$150,712.23 | \$154,841.72 | \$159,084.36 |
| G16 | \$142,191.88 | \$146,087.92 | \$150,090.70 | \$154,203.16 | \$158,428.30 | \$162,769.21 | \$167,229.06 | \$171,811.10 |





Figure S4.1C Proposed General Plan (FT Steps)

| Grade | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|-------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| G1 | \$69,084.57 | \$70,977.48 | \$72,922.25 | \$74,920.31 | \$76,973.11 | \$79,082.16 | \$81,249.00 |
| G2 | \$73,920.49 | \$75,945.90 | \$78,026.81 | \$80,164.73 | \$82,361.23 | \$84,617.91 | \$86,936.43 |
| G3 | \$77,616.52 | \$79,743.20 | \$81,928.15 | \$84,172.97 | \$86,479.29 | \$88,848.81 | \$91,283.25 |
| G4 | \$81,497.35 | \$83,730.36 | \$86,024.56 | \$88,381.61 | \$90,803.26 | \$93,291.25 | \$95,847.41 |
| G5 | \$85,572.21 | \$87,916.88 | \$90,325.78 | \$92,800.70 | \$95,343.42 | \$97,955.81 | \$100,639.78 |
| G6 | \$89,850.82 | \$92,312.72 | \$94,842.07 | \$97,440.73 | \$100,110.59 | \$102,853.60 | \$105,671.77 |
| G7 | \$94,343.36 | \$96,928.36 | \$99,584.18 | \$102,312.77 | \$105,116.12 | \$107,996.28 | \$110,955.36 |
| G8 | \$99,060.53 | \$101,774.77 | \$104,563.39 | \$107,428.40 | \$110,371.93 | \$113,396.10 | \$116,503.13 |
| G9 | \$108,966.59 | \$111,952.25 | \$115,019.72 | \$118,171.25 | \$121,409.12 | \$124,735.71 | \$128,153.44 |
| G10 | \$114,414.92 | \$117,549.86 | \$120,770.71 | \$124,079.81 | \$127,479.57 | \$130,972.49 | \$134,561.12 |
| G11 | \$120,135.66 | \$123,427.36 | \$126,809.25 | \$130,283.80 | \$133,853.55 | \$137,521.12 | \$141,289.17 |
| G12 | \$129,746.51 | \$133,301.55 | \$136,953.99 | \$140,706.50 | \$144,561.84 | \$148,522.81 | \$152,592.31 |
| G13 | \$140,126.23 | \$143,965.67 | \$147,910.30 | \$151,963.02 | \$156,126.78 | \$160,404.63 | \$164,799.69 |
| G14 | \$151,336.33 | \$155,482.92 | \$159,743.13 | \$164,120.06 | \$168,616.93 | \$173,237.00 | \$177,983.67 |
| G15 | \$163,443.24 | \$167,921.56 | \$172,522.58 | \$177,249.67 | \$182,106.28 | \$187,095.96 | \$192,222.36 |
| G16 | \$176,518.70 | \$181,355.28 | \$186,324.39 | \$191,429.64 | \$196,674.78 | \$202,063.64 | \$207,600.15 |





Figure S4.2A
Proposed General Plan (PT)

| Grade | Proposed Min | Proposed Midpoint | Proposed Maximum | Range Spread | Min Grade Progression | Step Progression |
|-------|--------------|-------------------|------------------|-----------------|--------------------------|---------------------|
| | \$24,960.00 | \$33,696.00 | \$42,432.00 | 70.00% | | 3.86% |
| PT1 | (\$12/hr) | (\$16.20/hr) | (\$20.40) | 70.00 /6 | - | 3.00 /6 |

Figure S4.2B
Proposed General Plan (PT Steps)

| Class/Grade | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-------------|---------|---------|---------|---------|---------|---------|---------|---------|
| PT1 | \$12.00 | \$12.46 | \$12.95 | \$13.45 | \$13.96 | \$14.50 | \$15.06 | \$15.65 |

Figure S4.2C Proposed General Plan (PT Steps)

| Class/Grade | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|-------------|---------|---------|---------|---------|---------|---------|---------|
| PT1 | \$16.25 | \$16.88 | \$17.53 | \$18.21 | \$18.91 | \$19.64 | \$20.40 |



Recommended Pay Grade Assignments

Utilizing both the external market survey and AutoSolve's proprietary ranking analysis conducted on each classification. AutoSolve is proposing the following pay grade assignment for each classification. AutoSolve's proposed pay grade assignments ensures each classification is compensated competitively and fairly, externally within City of New Prague's operating market, and internally taking into consideration each classifications required duties, responsibilities, and experience relative to the other classification utilized by City of New Prague.

FIGURE S4.3 illustrate the proposed recommended pay grade for each classification within the proposed General Full and Part Time plans.

Figure S4.3A Classification Grade Assignments

| Classification | Grade |
|---------------------------------|-------|
| Administrative Assistant | G1 |
| Public Works Maintenance Worker | G2 |
| Permit Specialist | G2 |
| Police Records Technician | G2 |
| Accountant I | G3 |
| Utility Billing Specialist | G3 |
| Mechanic | G4 |
| Water Operator I | G4 |
| Wastewater Operator I | G4 |
| Administrative Coordinator | G5 |
| Accountant II | G5 |
| Water Operator II | G6 |
| Wastewater Operator II | G6 |
| Building Inspector | G8 |
| Generation Operator | G8 |
| Parks Supervisor | G8 |





Figure S4.3B General Pay Plan Grade Assignments

| Classification | Grade |
|--------------------------------------|-------|
| Planner | G8 |
| Golf Superintendent | G9 |
| Lineman | G9 |
| Wastewater Superintendent | G11 |
| Generation Supervisor | G10 |
| Public Works Supervisor | G10 |
| Water Operations Supervisor | G10 |
| Building Official | G11 |
| Electric Operations Supervisor | G12 |
| Finance Director | G14 |
| General Manager - Electric and Water | G14 |
| Community Development Director | G14 |
| Police Chief | G14 |
| Public Works Director | G14 |
| City Administrator | G16 |
| Food and Beverage Worker | PT1 |
| Golf Attendant | PT1 |
| Golf Maintenance Worker | PT1 |
| Parks Maintenance Worker - PT | PT1 |





Recommended Implementation Option

AutoSolve is recommending the implementation option: **Bring to New Minimum or a 3.30% Increase** for the Full-Time plan. This implementation option adjusts employee's current salary to the minimum of their classification's new proposed pay grade. This option will also apply an increase of 3.30% if an employee's current salary is already at or above their new proposed grade minimum. The employee will also receive a 3.30% increase if their adjustment to "Bring to New Minimum" is less than a 3.30% increase. With this implementation option, all employees will receive at least a 3.30% increase.

For the General Part-Time plan, AutoSolve is recommending the implementation option **Bring to New Minimum.** This implementation option adjusts employee's current salary to the minimum of their classification's new proposed pay grade. Any employee that has a salary more than their classification's new proposed pay grade will not receive any adjustment. This option ensures all part time employees will receive at least \$12.00 per hour.

AutoSolve is recommending the 3.30% increase based on the average per capita income increases in Le Sueur County, MN over the past ten years, (Excluding Covid Outlier Years*), as shown in **FIGURE S4.7**. Per capita income is the measure of the average income earned in a specific geographic area divided by the area's population. This number considers real wages earned year to year that have received cost of living adjustments.

The total recommended implementation costs for The City of New Prague is \$215,163.91. The implementation will affect all 86 employees. **FIGURE S4.4** through **FIGURE S4.5** illustrates a cost breakdown of the recommended implementation option. FIGURE S4.6 is the combined implementation cost for the pay plans.

Figure S4.4 General Pay Plan (FT) Implementation Cost

| Implementation Options | Cost | Number Of Employees Affected | Average Change Per Employee | Average Percent Increase |
|---------------------------------|--------------|------------------------------------|-----------------------------------|--------------------------------|
| Bring to New Minimum or a 3.30% | \$207,952.51 | 45 | \$4,621.17 | 4.95% |





Figure S4.5 General Pay Plan (PT) Implementation Cost

| Implementation Options | Cost | Number Of Employees Affected | Average Change Per Employee | Average Percent Increase |
|------------------------|------------|------------------------------------|-----------------------------------|--------------------------------|
| Bring to New Minimum | \$7,211.40 | 41 | \$175.89 | 2.19% |

Figure S4.6 Combined Implementation Cost

| Cost | Number Of Employees Affected | Average Change Per Employee | Average Percent Increase |
|--------------|---------------------------------|--------------------------------|--------------------------|
| \$215,163.91 | 86 | \$2,501.91 | 3.57% |

Figure S4.7 Historical Per Capita Income (Le Sueur, County, MN)

| Year | Per Capita Income | Percentage Change |
|------|-------------------|-------------------|
| 2013 | \$40,721.00 | - |
| 2014 | \$42,627.00 | 4.68% |
| 2015 | \$43,899.00 | 2.98% |
| 2016 | \$45,464.00 | 3.57% |
| 2017 | \$46,481.00 | 2.24% |
| 2018 | \$48,817.00 | 5.03% |
| 2019 | \$49,672.00 | 1.75% |
| 2020 | \$53,911.00 | 8.53% |
| 2021 | \$60,043.00 | 11.37% |
| 2022 | \$61,581.00 | 2.56% |
| 2023 | \$63,719.00 | 3.47% |

| Average: | 4.62% |
|--|-------|
| Average Without Outliers (2020, 2021): | 3.28% |



S4.3 Compensation Management System and Periodic Maintenance

Accompanying our recommendations, is an Employee Management System that will assist City of New Prague in the implementation and maintenance of the new compensation system. This management system will provide per employee implementation cost estimates. It will also aid in implementing and estimating cost for future pay plan increases.

The proposed system will need periodic maintenance over the next two to three years. Without maintenance, the competitiveness of the system will decrease, and the same retention/recruitment pitfalls will increase once again. AutoSolve strongly recommends City of New Prague to perform a complete compensation and classification study at least every three years.

Conclusion

This concludes the Comprehensive Compensation and Classification study for City of New Prague, MN by AutoSolve, Inc. AutoSolve proposed a new compensation system that addresses and resolves the retention, recruitment, and compression issues found within City of New Prague's current compensation system. The proposed compensation system was created to be competitive relative to City of New Prague's operating market, which will allow City of New Prague to recruit and retain the best talent possible.





Appendix: Compensation System Maintenance Policies

Compensation Maintenance

New Hire Salaries:

Traditionally, employees meeting the minimum educational and experiential requirements for a particular job classification are typically compensated at or near the entry-level pay grade for that classification. However, there are instances where New Prague may need to consider offering salaries that reflect prior relevant experience to attract well-suited candidates. It is advisable for The City of New Prague to maintain flexibility when determining salaries for new hires, while also ensuring the internal equity of existing employees' salaries within the same classification. As part of implementing a new salary plan and proposed adjustments, it is crucial to enhance current employees' salaries to a certain extent, thereby allowing for greater flexibility in offering competitive salaries to prospective hires.

Salary Progression:

There are a few typical ways to increase salaries, like cost-of-living adjustments (COLA) or across-the-board raises, and performance-based evaluations. This study suggests that the Division should regularly review performance-based methods for increasing employees' salaries and make changes when needed.

Promotions:

When an employee moves up to a new role, it's essential to have updated rules for deciding their new pay. This should acknowledge their added duties, match the salary level of the new role, and ensure fairness across the organization. New Prague should periodically review its promotion policies to stay competitive and up to date with best practices in human resources management.

Salaries Above Maximum:

In prevailing market practices, it is customary for an employee's salary to be restricted if it surpasses the upper limit of the salary range designated for their position. This entails withholding further base salary increments until the salary range is adjusted upwards to accommodate such increases. It is widely advocated that, in such scenarios, the employee should receive a lump-sum payment equivalent to the surplus beyond the maximum range. This approach ensures that the employee's base salary remains at the maximum level while compensating them for any excess. It is imperative for New Prague to reassess its existing protocols in this regard, effect necessary modifications, and consistently review all salary policies, procedures, and guidelines.

