

**ROCHELLE CITY COUNCIL  
AGENDA ITEM MEMO  
REGULAR MEETING**

**SUBJECT:** Recommendation to accept proposal for the Classification and Compensation Study from MGT (previously known as GovHR).

**Staff Contact:** Jillian Condon

**Summary:**

In 2018 the City of Rochelle accepted a compensation study completed by Gallagher Consulting. The industry standard is to reevaluate every five to seven years, so the City sought a proposal from MGT. Gallagher and MGT are two industry leaders, and having each leader complete one for the City will yield the highest level of comparison, leading to the most accurate compensation plan.

The scope of work is projected to take 16 weeks and will include establishing comparables, job evaluation analysis, establishment of job classification system, analyzing survey data, and finally, delivery of findings and suggested execution for establishing the salary structure. Our staff can then compare the two salary structures, review all nonunion job descriptions, and solidify a five-year compensation and retention plan to not only yield the best retention numbers but also ensure the highest return on investment of our personnel resources.

The recommendation to accept the proposal from MGT is based on reputation, references and their project approach and methodology, as well as the fact that having two separate salary structures to compare will allow the City the highest opportunity for executing an accurate, competitive and fiscally responsible compensation plan.

**Funding Sources:**

Source:	Budgeted Amount:	Proposed Expenditure:
Admin Services – Other Professional Services Account	\$25,000	\$22,200

**Strategic Plan Goal Application:**

Having a comprehensive compensation plan leads to higher retention rates and more successful succession planning.

**Recommendation:** Approve the Proposal from AJ Gallagher for the Classification and Compensation Study.

**Supporting Documents:** Written proposal from MGT attached.