



Lighting the path forward

2024 Position Classification and Compensation Study

July 18, 2022



Today's Agenda

- Project Overview and Abdo Team
- Project Goals and Underlying Assumptions
- Analysis Process and Methodology
- Compensation and Incentive Plan Highlights
- Next Steps and Questions



Meet your Abdo Team



Leah Davis, CPA
Partner

P. 507.524.2347

E. leah.davis@abdosolutions.com



Michael Mooney
Senior Associate - HR

P: 952.715.3043

E: Michael.mooney@abdosolutions.com

Our Abdo team is comprised of experienced professionals with over 70 years of combined HR experience from a wide variety of internal, external, and multi-industry perspectives. The diverse background and experiences of our staff allows us to offer our clients real-world, people-focused, and best-in-class HR consulting, compliance, process, and talent management solutions.

Project Goals and Underlying Assumptions

- The City of St. Francis is highly motivated to attract and retain qualified talent to facilitate successful City operations and leadership, particularly in the current challenging labor market.
- The City has historically aimed to position itself at market averages related to wages and wishes to provide a compensation structure that allows for continued growth and marketability.
- The City values the contributions, skills and experience of each individual and position and is committed to maintaining job descriptions that accurately depict each position.
- The City wishes to compile independent and accurate market data to address ensure compensation is fairly evaluated against relevant markets.
- It is important to remember that, while employees represented by collective bargaining agreements were included in the market study and considered during development of the proposed step and grade compensation structure, union employee wages must be negotiated independently.



Project Process & Methodology

- Reviewed current job descriptions for compliance
- Scored each position using Abdo Scoring Methodology
- Utilized 2024 League of Minnesota Salary Survey and Abdo survey compensation data.
- Matched similar job titles, including council and mayor pay, based on St. Francis job descriptions and brief job data provided by survey respondents.
- Compared average minimum and maximum wages for each position.



Summary of Findings & Proposed Compensation Plan Highlights

Comparable Municipalities

Albertville city
Belle Plaine city
Cambridge city
Dayton city
Isanti city

New Prague city
Oak Grove city
Orono city
Wyoming city
Zimmerman city

Key Findings & Considerations:

- Current pay range MINIMUMS for each position were, on average, 3% below the market minimum pay for similar positions. ***It is important to note, however, that this is an average and individual positions vary widely.***
- Current pay range MAXIMUMS for each position were, on average, 3% below the market minimum pay for similar positions. ***It is important to note, however, that this is an average and individual positions vary widely.***
- Position market variances typically indicate that either the position wage range is well above or below the market or that the position within St. Francis may not be a good match to comparable data in regard to duties, experience requirements, and responsibilities, to other positions with similar titles in comparable cities. Potential causes of market variance for each position should be evaluated individually.
- Many cities approve annual Cost of Living Adjustments (COLA) and will plan to do so for a January 1, 2025, effective date. As a result, should the City not elect to apply a 2025 COLA adjustment to either their current compensation model or to the proposed compensation scale updates, current market variances will continue to grow.

Proposed Non-Union Compensation Plan Structure

- Step and grade model utilizes a total of 8 steps, including the start step, to achieve maximum compensation after 7 years and encompasses a total of 20 grade levels.
- All 8 steps are intended to be used as the standard compensation scale, to be awarded using the City's current step award process, primarily length of service and acceptable performance.
- The minimum pay level for the proposed non-union compensation scale is, on average, **2.10%** above market minimum pay averages for each position.
- The maximum pay level for the proposed compensation scale is, on average, **2.0%** above market maximum pay averages for each position.
- The proposed scale includes a 5% adjustment between grades.
- The proposed scale reflects a 3.33% adjustment between steps.
- The range within each grade of the proposed scale (Step 1 through Step 8) is **26%**.

Proposed Non-Union Compensation Plan Structure

Points	Grade	Standard Steps								
		1	2	3	4	5	6	7	8	
0	100	1	\$ 24.25	25.06	25.89	26.75	27.65	28.57	29.52	30.50
101	125	2	\$ 25.46	26.31	27.19	28.09	29.03	29.99	30.99	32.02
126	130	3	\$ 26.74	27.63	28.55	29.50	30.48	31.49	32.54	33.63
131	168	4	\$ 28.07	29.01	29.97	30.97	32.00	33.07	34.17	35.31
169	190	5	\$ 29.48	30.46	31.47	32.52	33.60	34.72	35.88	37.07
191	232	6	\$ 30.95	31.98	33.05	34.15	35.28	36.46	37.67	38.93
233	244	7	\$ 32.50	33.58	34.70	35.85	37.05	38.28	39.56	40.87
245	255	8	\$ 34.12	35.26	36.43	37.65	38.90	40.19	41.53	42.92
256	265	9	\$ 35.83	37.02	38.25	39.53	40.84	42.20	43.61	45.06
266	270	10	\$ 37.62	38.87	40.17	41.50	42.89	44.31	45.79	47.32
271	278	11	\$ 39.50	40.82	42.18	43.58	45.03	46.53	48.08	49.68
279	300	12	\$ 41.48	42.86	44.28	45.76	47.28	48.86	50.48	52.16
301	320	13	\$ 43.55	45.00	46.50	48.05	49.65	51.30	53.01	54.77
321	335	14	\$ 45.73	47.25	48.82	50.45	52.13	53.86	55.66	57.51
336	369	15	\$ 48.01	49.61	51.26	52.97	54.74	56.56	58.44	60.39
370	435	16	\$ 50.41	52.09	53.83	55.62	57.47	59.39	61.36	63.41
436	485	17	\$ 52.93	54.70	56.52	58.40	60.35	62.36	64.43	66.58
486	495	18	\$ 55.58	57.43	59.34	61.32	63.36	65.47	67.65	69.91
496	508	19	\$ 58.36	60.30	62.31	64.39	66.53	68.75	71.04	73.40
509	540	20	\$ 61.28	63.32	65.43	67.61	69.86	72.18	74.59	77.07

Cost To Implement Proposed Plan

	Estimated Current Annual Payroll	\$	1,836,500.00
Phase 1:	Implementation Cost (Annualized) (Base)	\$	35,500.00
			1.93%



Next Steps

- Recommend that Council acknowledge receipt of final Position Classification and Compensation Report
- Should the City decide to move to the new step and grade plan, we recommend approval at a regular meeting of the City Council
- Provide analysis and plan administration deliverables and training to City leadership

Discussion for Council

- Is the proposed compensation plan structure appropriate (i.e. # of steps, % increase between steps, placement relative to market, etc.)?
- How does the City intend to maintain marketable wages in the currently volatile labor market?





Questions?