Mayor
John T. Keis

Council Members
Tom Fischer
Michael McGraw
Christian Torkelson
Teresa Miller

City of **Little Canada**

515 Little Canada Road
East
Little Canada, MN
55117
www.littlecanadamn.org

City Administrator
Chris Heineman

**Workshop Meeting of the
Little Canada City Council**
Wednesday, February 23, 2022
6:00 p.m.
City Center Conference Room
A G E N D A

1. CALL TO ORDER - Workshop Meeting - 6:00 P.m.

2. Roll Call

3. Workshop Topics

    A. Classification & Compensation Study

        Documents:

        CLASSIFICATION AND COMPENSATION STUDY.PDF

4. Adjourn

This agenda is subject to change by additions and deletions.

STAFF REPORT

TO: Mayor Keis and Members of City Council

FROM: Chris Heineman, City Administrator

DATE: February 23, 2022

RE: Classification and Compensation Study

BACKGROUND:
At the City Council Workshop on August 11, 2021, staff presented a proposal to conduct a classification and compensation study. The City of Little Canada has traditionally completed an in-house analysis for each position that becomes vacant prior to advertising for that position. The City has been through a significant level of staff transition in recent years with a total of ten full-time and permanent part-time positions hired over the past 2½ years. The City Council authorized the City Administrator to execute a contract for services with DDA Human Resources, Inc. to conduct a Classification and Compensation Study for the City of Little Canada at the September 22, 2021 City Council meeting.

A classification and compensation study will enable us to provide a more detailed analysis of our current compensation system that will result in a compensation system that is technically solid, understandable, and can be implemented in a timely manner. City staff has been working with Dr. Tessia Melvin from DDA Human Resources over the past 3-4 months. This process included an analysis of our current compensation plan for compliance in the MN Pay Equity Program and discussing recommendations for changes to our current compensation system that help with the retention of current staff and will enable the City to attract, hire, and retain a high level of talent as future positions become available.

This initiative also adheres to the strategic objectives of the 5-year Strategic Plan adopted in 2019. A classification and compensation study falls into Strategic Direction Four under the heading of Creating Operational Efficiency and aligns with the initiative of optimizing our organizational structure.

Please see the attached memo from DDA Human Resources listing the objectives, benchmarks, and steps taken over the past 3-4 months. Dr. Melvin will provide a detailed PowerPoint presentation to review the preliminary analysis and recommendations, discuss potential next steps, and answer any questions you may have at the City Council workshop on Wednesday.

DDA
Human Resources, Inc.
a David Drown Associates Company

Chris Heineman, City Administration
City of Little Canada
515 Little Canada Road E
Little Canada, MN 55117

RE: **Market Analysis Preliminary Report**

Dear Mr. Heineman,

Project Summary
The City of Little Canada contracted with DDA Human Resources to conduct a market analysis. The objectives were to:
- Collect market wage data.
- Develop a compensation structure that is market competitive.
- Identify an implementation plan.

Pay Equity
After our preliminary analysis of the market data, we identified some inconsistent pay grades with the pay equity points. DDA reviewed all jobs with the State Match system to guarantee updated job classification. Though not part of the scope of the project DDA evaluated each position. Job classifications are determined by the following criteria:
- Know How
  - Education and Experience needed for the position
  - Non-Supervisory Performance
  - Line Supervisory activity
  - Manager/ Supervisory activity
- Problem Solving
- Accountability
  - Non-Quantifiable
  - Size of budget
  - Direct or in-direct job impact on end results
- Working Conditions

Benchmark Communities and Jobs
DDA partnered with the City to select a group of cities whom the city competes for talent and have one or more of the following criteria:

- Geographic Proximity
- Population Size
- Services Provided
- Entities you lose employees to
- Entities you recruit from
- Other factors include tax capacity, size of budget, number of employees, etc.

The following list was created

Arden Hills	North St. Paul
Lake Elmo	Roseville
Mahtomedi	St. Anthony
Maplewood	Shoreview
Mendota Heights	Vadnais Heights
Mound	

Market Analysis

For each position, we looked at similar job positions and wage ranges. Note that not all jobs have comparable jobs in other entities, so we begin to calibrate the pay structure at jobs that are most like benchmark communities.
- For each position the percentage difference has been calculated between the City's figure and the market.
- If the figure is:
    - Positive (+): Figure indicates that the City pays above the market
    - Negative (-): Figure indicates that the City pays below the market
- The following guidelines are used when determining the competitive nature of current actual compensation:
    - +/- 5% (Highly Aligned with the market)
    - +/- 10% (Aligned with the market)
    - +/- 11-15% (Possible misalignment with the market)
    - > 15% (Significant misalignment with the market)

Next Steps
- Council to review preliminary analysis and recommendations
- Employees to review classifications.
    - Classification Appeal Process, if employees feel that their job description is missing something or warrants another review.
    - DDA will review any appeals.
- Formal Council Approval
- Implementation