



# Proposal to City of Princeton for Job Classification and Compensation Study

## Contact Information:

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August 27, 2021

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Michele McPherson, City Administrator  
Tracy Peters, Finance Director  
Princeton City Hall  
705 North 2<sup>nd</sup> Street  
Princeton, Minnesota 55371

VIA COURIER

**Re: City of Princeton Job Classification and Compensation Study Proposal**

Dear Michele McPherson and Tracy Peters:

Providing legal, analytical, and lobbying services to Minnesota cities has been Flaherty & Hood, P.A.'s primary focus since the firm's inception nearly 30 years ago. We are, therefore, pleased to submit this proposal to the City of Princeton for a Job Classification and Compensation Study.

**Why Should the City of Princeton Hire Flaherty & Hood?**

There are many reasons why the City of Princeton should hire Flaherty & Hood, P.A. (Flaherty & Hood or firm), including:

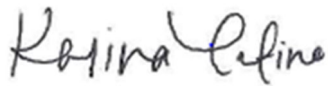
1. **Customized.** Flaherty & Hood will not view the City of Princeton as just another client among many; instead, the City of Princeton's study will be tailored to the City's circumstances, given high priority, and the timing of the study will be discussed early in order to meet deadlines set by the City.
2. **Comprehensive.** No other firm offers the same comprehensive services that Flaherty & Hood provides—including labor relations, employment law, human resources, and legal services. For example, Flaherty & Hood developed and utilizes the *Flaherty & Hood Job Evaluation System* for classification and compensation purposes and *Cluster Analysis* to identify comparable entities for public sector entities. In addition, Flaherty & Hood **advises and represents public sector entities** in complying with or claims made by employees under discrimination, disability, and wage and hour laws and labor contract negotiations and grievances, which is valuable in implementing classification and compensation changes.
3. **Comprehensible.** Flaherty & Hood strongly believes that the advice and work product it provides to clients must be comprehensible. The firm has a proven record of communicating advice and recommendations on complex legal, human resources, and job classification and compensation issues in a manner its clients understand. Flaherty & Hood provides user-friendly electronic documents for cities to review and update job analyses, job descriptions, job evaluation ratings, and the base pay structure.
4. **Cost-Effective.** Because Flaherty & Hood has dedicated its practice to serving the needs of Minnesota cities, we can provide significantly reduced public rates to our clients, while maintaining the highest quality services.

Enclosed is Flaherty & Hood's proposal to conduct a Job Classification and Compensation Study for the City of Princeton. The proposal includes the information requested in the *City of Princeton's Job Classification and Compensation Study Request for Proposals*.

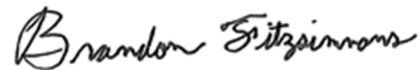
We are confident that Flaherty & Hood will provide the highest quality compensation services to the City of Princeton. Should you desire to discuss our services in more detail or need additional information, please contact us. Thank you for your consideration, and we look forward to hearing from you soon.

Very truly yours,

**FLAHERTY & HOOD, P.A.**



Karina G. Patino  
Legal Analyst



Brandon M. Fitzsimmons  
Shareholder Attorney

## TABLE OF CONTENTS

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Project Manager, Qualifications, Resumes, and References .....	1
Approach.....	13
Outline of Proposal.....	16
Quote Sheet.....	19

# PROJECT MANAGER, QUALIFICATIONS, RESUMES, AND REFERENCES

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The project manager will be: Karina G. Patino, Legal Analyst.

## Description of Firm

Flaherty & Hood, P.A. is a unique law firm that effectively integrates the disciplines of law, government relations, fiscal and human resources analysis, and communications to provide high-quality, timely and cost-effective services to our clients.

Tim Flaherty established the law firm nearly 30 years ago dedicated to serving cities throughout Minnesota. Through the years, the firm has grown from exclusively providing legislative and regulatory advocacy services from its office in St. Paul to providing a full range of legal and human resources services.

Flaherty & Hood, P.A. has 14 attorneys, 2 analysts, and 11 other professional staff who primarily provide legal, analytical, and legislative advocacy services for municipalities in Minnesota. The firm's labor, employment, and human resources practice area provides related legal, analytical, and representation services. Flaherty & Hood, P.A. is, therefore, uniquely positioned and has the comprehensive knowledge, experience, and tools to provide full-service job classification and compensation analysis and implementation strategies for its municipal clients.

## Job Classification and Compensation System Services

With nearly 30 years in serving governments, Flaherty & Hood, P.A. understands cities' unique **job classification and compensation** needs and provides the following services:

### Job Analysis

- Review job classification systems
- Conduct incumbent and supervisor interviews
- Prepare and analyze job questionnaires
- Observe jobs
- Draft and update job descriptions
- Determine FLSA status and ADA requirements

### Job Evaluation

- Prepare comparisons of jobs to determine job worth using internal and external methods

### Compensation

- Identify market entities and sources utilizing statistical analysis
- Conduct market surveys and analyze market data
- Draft classification and compensation systems
- Establish pay structures and compensation packages
- Provide training and user-friendly electronic tools to implement job classification systems
- Presentations to City Councils, management, employees, and union groups

## Pay Equity

- Review, analyze, and recommend changes to ensure legal compliance
- Prepare pay equity report for the state
- Advise and provide representation in any contested matter involving legal compliance

To meet the classification and compensation needs of our Minnesota city clients, Flaherty & Hood, P.A. developed and utilizes its own **job analysis questionnaires and job evaluation system** for job classification purposes and **sophisticated statistical methods** to identify a city's comparable entities and to develop a customized classification and compensation system. Flaherty & Hood, P.A. establishes classification and compensation systems that are **customizable, comprehensive, comprehensible, competitive in the market, and cost-effective**. Finally, Flaherty & Hood provides classification and compensation **plans and policies and user-friendly electronic documents** for cities to review and update job analyses, job descriptions, job evaluation ratings, and the base pay structure.

## Labor, Employment Law, and Human Resources Services

Flaherty & Hood, P.A. also provides the following related **labor, employment law, and human resources** services to dozens of cities:

- Labor Law
  - Contract negotiations
  - Grievances
  - Mediations
  - Arbitrations
  - Unfair labor practices
  - Strikes
  - Bureau of Mediation Services proceedings
- Employment Law
  - Representation and advocacy in state and federal courts, administrative, civil service, mediation, arbitration, and unemployment insurance hearings
  - Advice on hiring, performance improvement, legal claims, disciplinary matters, and reorganizing
  - Training seminars for supervisors and employees
  - Investigations
  - Legal compliance
- Human Resources
  - Personnel policies and practices
  - Hiring and disciplinary processes
  - Performance appraisal systems
  - Organizational reviews addressing direction and alignment of an organization as a whole, individual departments, employees and the services they provide; work flow processes and organizational structure; workforce staffing, productivity, and retention; workplace environment; and communication, innovation, and collaboration.

## Job Classification and Compensation Clients

Flaherty & Hood, P.A. has performed, or is currently performing, classification and compensation services for the cities and other public entities that follow on the next pages (in alphabetical order) which includes the initial and base contract year and price, which excludes any additional services performed for the organization:

Entity	Scope of Work	Entity	Scope of Work
<p>City of Albert Lea</p> <p>Contract Date: 2016 and 2017</p> <p>Price: \$11,500</p>	<p>Market Study and Job Evaluation System Review and Modified Pay Structure, including: (1) selection of comparable entities; (2) survey comparable entities on relevant compensation and benefit data; (3) provide analysis on market data; (4) provide analysis on current job evaluation system; and (5) compensation system/structure development.</p>	<p>City of Alexandria</p> <p>Contract Date: 2018</p> <p>Price: \$8,000</p>	<p>Market Compensation Study, including: (1) selection of comparable entities; (2) survey comparable entities on relevant compensation and benefit data; (3) provide analysis on market data; (4) compensation system/structure development; (5) compensation system testing for pay equity compliance; (6) preparation and presentation of final results and report; and (7) system implementation.</p>
<p>City of Austin</p> <p>Contract Date: 2018</p> <p>Price: \$25,000</p>	<p>Job Classification and Compensation Study, including: (1) position analysis and review of job descriptions; (2) drafting of updated and new job descriptions; (3) position classification and job evaluation; (4) conducting salary survey; (5) compensation system/structure development; (6) compensation system testing for pay equity compliance; (7) preparation and presentation of final results and report; and (8) system implementation.</p>	<p>Austin Utilities</p> <p>Contract Date: 2016</p> <p>Price: \$13,500</p>	<p>Job Classification and Compensation Study, including: (1) position analysis and review of job descriptions; (2) drafting of updated and new job descriptions; (3) position classification and job evaluation; (4) conducting salary survey; (5) compensation system/structure development; (6) compensation system testing for pay equity compliance; (7) preparation and presentation of final results and report; and (8) system implementation.</p>
<p>City of Bagley</p> <p>Contract Date: 2015</p> <p>Price: \$3,300</p>	<p>Job Classification and Compensation Study, including: (1) position analysis and review of job descriptions; (2) drafting of updated and new job descriptions; (3) position classification and job evaluation; (4) conducting salary survey; (5) compensation system/structure development; (6) compensation system testing for pay equity compliance; (7) preparation and presentation of final results and report; and (8) system implementation.</p>	<p>City of Detroit Lakes</p> <p>Contract Date: 2017</p> <p>Price: \$2,000</p>	<p>Job Classification and Compensation System Review, including: (1) provide analysis on current job evaluation system; (2) compensation system testing for pay equity compliance; and (3) review of compensation system/structure.</p>

<b>Entity</b>	<b>Scope of Work</b>	<b>Entity</b>	<b>Scope of Work</b>
City of Dilworth Contract Date: 2018 Price: \$8,000	Job Classification and Compensation Study, including: (1) position analysis and review of job descriptions; (2) position classification and job evaluation; (3) conducting salary survey; (4) compensation system/structure development; (5) compensation system testing for pay equity compliance; (6) preparation and presentation of final results and report; and (7) system implementation.	City of Goodview Contract Date: 2018 Price: \$8,500	Job Classification and Compensation Study, including: (1) position analysis and review of job descriptions; (2) position classification and job evaluation; (3) conducting salary survey; (4) compensation system/structure development; (5) compensation system testing for pay equity compliance; (6) preparation and presentation of final results and report; and (7) system implementation.
City of La Crescent Contract Date: 2014 Price: \$2,000	Organizational Study, including: (1) review the services the city provides, the functions of city employees necessary to provide the services, their organization and reporting structures, their job classifications, and the amount of staffing needed; (2) compare these items to comparable communities; and (3) determine any appropriate changes to make to its organization.	City of Lewiston Contract Date: 2019 Price: \$6,500	Job Classification and Compensation Study, including: (1) position analysis and review of job descriptions; (2) position classification and job evaluation; (3) conducting salary survey; (4) compensation system/structure development; (5) compensation system testing for pay equity compliance; (6) preparation and presentation of final results and report; and (7) system implementation.
City of International Falls Contract Date: 2021 Price: \$20,000	Job Classification and Compensation Study, including: (1) position analysis and review of job descriptions; (2) position classification and job evaluation; (3) conducting salary survey; (4) compensation system/structure development; (5) compensation system testing for pay equity compliance; (6) preparation and presentation of final results and report; and (7) system implementation.	City of Melrose Contract Date: 2014 Price: \$4,500	Salary Survey, including: (1) selection of comparable municipal utilities and municipal utilities; (2) survey comparable municipal utilities and municipal utilities on all relevant compensation and benefit data; (3) analyze and regress compensation data with job evaluation points; and (4) determine any appropriate changes to make to its compensation rates and structure.
City of Moorhead Contract Date: 2016 Price: \$20,000	Job Classification and Compensation Study, including: (1) review of job descriptions; (2) review internal classification hierarchy; (3) conducting market survey; (4) compensation system/structure update; (5) compensation system testing for pay equity compliance; (6) preparation and presentation of final results and report; and (7) compensation plan maintenance.	Minnesota Valley Transit Authority Contract Date: 2015 Price: \$11,500	Job Classification and Compensation Study, including: (1) job analysis; (2) update job descriptions; (3) identify comparable organizations; (4) external market survey; (5) job evaluation; (6) pay schedule; and (7) establish a job description scoring system for determining job evaluation point rankings of newly established or changing positions.



Entity	Scope of Work	Entity	Scope of Work
<p>Moorhead Public Service</p> <p>Contract Date(s): 2015 2020</p> <p>Price(s): \$14,000 \$19,000</p>	<ul style="list-style-type: none"> <li>• Job Classification and Compensation Study, including: (1) position analysis and review of job descriptions; (2) drafting of updated and new job descriptions; (3) position classification and job evaluation; (4) conducting salary survey; (5) compensation system/structure development; (6) compensation system testing for MLGPEA; (7) preparation and presentation of final results and report and (8) system implementation.</li> <li>• Organizational, Job Classification, and Compensation Study, including: (1) position analysis and review of job descriptions; (2) conducting salary survey; (3) compensation system/structure update and modification; (4) review the services the utility provides, the utility employees necessary to provide the services, their organization and reporting structures, and the amount of staffing needed; (5) elicit input from the Board of Commissioners regarding the municipal utility's organization; and (6) determine any appropriate changes to make to its organization; (7) preparation and presentation of final results and report and (8) system implementation.</li> </ul>	<p>City of Oakdale</p> <p>Contract Date: 2020</p> <p>Price: \$30,500</p>	<p>Job Classification and Compensation Study, including: (1) review of job descriptions; (2) review internal classification hierarchy; (3) conducting market survey; (4) compensation system/structure update; (5) compensation system testing for pay equity compliance; (6) preparation and presentation of final results and report; and (7) compensation plan maintenance.</p>

<b>Entity</b>	<b>Scope of Work</b>	<b>Entity</b>	<b>Scope of Work</b>
City of Park Rapids Contract Date: 2015 Price: \$7,000	Job Classification and Compensation Study, including: (1) position analysis and review of job descriptions; (2) drafting of updated and new job descriptions; (3) position classification and job evaluation; (4) conducting salary survey; (5) compensation system/ structure development; (6) compensation system testing for pay equity compliance; (7) preparation and presentation of final results and report; and (8) system implementation.	City of Pelican Rapids Contract Date: 2015 Price: \$3,500	Job Classification and Compensation Study, including: (1) position analysis and review of job descriptions; (2) drafting of updated and new job descriptions; (3) position classification and job evaluation; (4) conducting salary survey; (5) compensation system/ structure development; (6) compensation system testing for pay equity compliance; (7) preparation and presentation of final results and report; and (8) system implementation.

Entity	Scope of Work	Entity	Scope of Work
City of Perham Contract Date: 2015 Price: \$4,000	Job Evaluation Study, including: (1) position analysis and review of job descriptions; (2) drafting of updated and new job descriptions; (3) position classification and job evaluation; (4) conducting salary survey; (5) compensation system/structure development; (6) compensation system testing for pay equity compliance; (7) preparation and presentation of final results and report; and (8) system implementation.	City of Plainview Contract Date(s): 2014 2015 Price: \$6,000 \$3,600	<ul style="list-style-type: none"> <li>• Job Classification and Compensation Study, including: (1) position analysis and review of job descriptions; (2) drafting of updated and new job descriptions; (3) position classification and job evaluation; (4) conducting salary survey; (5) compensation system/structure development; (6) compensation system testing for pay equity compliance; (7) preparation and presentation of final results and report; and (8) system implementation.</li> <li>• Job Study, including: (1) review structure of the municipal utility’s administration and finance department and the job duties and experience requirements of each position in the department; (2) compare these items to comparable communities; and (3) determine any appropriate changes to make to the department’s positions and organization.</li> <li>• Organizational Study, including: (1) review the services the city provides, the city employees necessary to provide the services, their organization and reporting structures, and the amount of staffing needed; (2) elicit input from the City Council regarding the municipal utility’s organization; and (3) determine any appropriate changes to make to its organization.</li> </ul>

<b>Entity</b>	<b>Scope of Work</b>	<b>Entity</b>	<b>Scope of Work</b>
City of St. Charles Contract Date: 2016 Price: \$6,500	Job Classification and Compensation Study, including: (1) position analysis and review of job descriptions; (2) drafting of updated and new job descriptions; (3) position classification and job evaluation; (4) conducting salary survey; (5) compensation system/structure development; (6) compensation system testing for pay equity compliance; (7) preparation and presentation of final results and report; and (8) system implementation.	St. Cloud Area Planning Organization Contract Date: 2016 Price: \$11,250	Job Classification and Compensation Study, including: (1) position analysis and review of job descriptions; (2) conducting salary survey; (3) compensation system/structure development; (4) preparation and presentation of results; and (5) compensation structure implementation.
City of St. Joseph Contract Date: 2016 Price: \$6,500	Job Classification and Compensation Review, including: (1) position analysis and review of job descriptions; (2) position classification and job evaluation; (3) compensation system/structure development; (4) compensation system testing for pay equity compliance; (5) preparation and presentation of final results and report; and (6) system implementation.	City of Stillwater Contract Date: 2016 Price: \$25,850	Job Classification and Compensation Study, including: (1) position analysis and review of job descriptions; (2) position classification and job evaluation; (3) conducting salary survey; (4) compensation system/structure development; (5) compensation system testing for pay equity compliance; (6) preparation and presentation of final results and report; and (7) system implementation.
City of Wadena Contract Date: 2016 Price: \$4,000	Market Survey, including: (1) selection of comparable municipal entities; (2) survey comparable municipal entities on all relevant compensation and benefit data; (3) analyze and regress compensation data with job evaluation points; and (4) determine any appropriate changes to make to its compensation rates and structure.	City of Waseca Contract Date: 2015 Price: \$13,500	Job Classification and Compensation Study, including: (1) position analysis and review of job descriptions; (2) drafting of updated and new job descriptions; (3) position classification and job evaluation; (4) conducting salary survey; (5) compensation system/structure development; (6) compensation system testing for pay equity compliance; (7) preparation and presentation of final results and report; and (8) system implementation.

<b>Entity</b>	<b>Scope of Work</b>	<b>Entity</b>	<b>Scope of Work</b>
City of Wells Contract Date: 2018 Price: \$10,000	Job Classification and Compensation Study, including: (1) position analysis and review of job descriptions; (2) drafting of updated and new job descriptions; (3) position classification and job evaluation; (4) conducting salary survey; (5) compensation system/ structure development; (6) compensation system testing for pay equity compliance; (7) preparation and presentation of final results and report; and (8) system implementation.	City of Windom Contract Date: 2016 Price: \$6,500	Job Classification and Compensation Study, including: (1) position analysis and position description review; (2) position classification/ranking/ grades/evaluation; (3) wage/labor benchmarks/ market pricing; (4) pay structure analysis of current system and recommended revisions or development of a new pay plan; (5) system testing for internal equity and external marketplace fairness; and (6) training on system maintenance and updating.
City of Winona Contract Date: 2014 Price: \$20,000	Job Classification and Compensation Study, including: (1) position analysis and review of job descriptions; (2) drafting of updated and new job descriptions; (3) position classification and job evaluation; (4) conducting salary survey; (5) compensation system/structure development; (6) compensation system testing for MLGPEA; (7) preparation and presentation of final results and report; and (8) system implementation.	City of Winsted Contract Date: 2014 Price: \$3,350	<ul style="list-style-type: none"> <li>• Job Classification and Compensation Study, including: (1) position analysis and review of job descriptions; (2) drafting of updated and new job descriptions; (3) position classification and job evaluation; (4) conducting salary survey; (5) compensation system/ structure development; (6) compensation system testing for pay equity compliance; (7) preparation and presentation of final results and report; and (8) system implementation.</li> <li>• Market Compensation Study, including: (1) position review; (2) conducting salary survey; (3) preparation of final results and report; and (4) compensation system testing for pay equity compliance.</li> </ul>
City of Worthington Contract Date: 2015 Price: \$8,000	Market Study and Job Evaluation System Review, including: (1) selection of comparable entities; (2) survey comparable entities on relevant compensation and benefit data; (3) provide analysis on market data; and (4) provide analysis on current job evaluation system.		

## Resumes

The following qualified and experienced Flaherty & Hood, P.A. personnel would provide classification and compensation services to the City of Princeton.



**Brandon M. Fitzsimmons** is a shareholder attorney with the law firm of **FLAHERTY & HOOD, P.A.** Brandon provides legal advice and representation services for public entities throughout Minnesota in labor relations, employment law, and human resources matters. Brandon has his Bachelor of Arts in Political Science with Distinction, *cum laude*, from Creighton University and his Doctor of Jurisprudence (J.D.) from William Mitchell College of Law. Brandon is a member of the National and Minnesota Public Employer Labor Relations Associations, SHRM, and MSBA–Labor and Employment Law Section.

### Work Experience

FLAHERTY & HOOD, P.A.

St. Paul, Minnesota

Shareholder and Associate and Senior Attorney

Responsibilities include providing consultation, legal representation, and administrative agency representation for municipal clients before the District Court and state agencies, including the Minnesota Bureau of Mediation Services and Office of Administrative Hearings.

HONORABLE RENEE L. WORKE

Waseca, Minnesota

Judicial Clerk

Researched, consulted, and wrote orders and memorandums for Chief Judge and other Third Judicial District judges in south central Minnesota. Ran conciliation court settlement conference hearings and facilitated settlement agreements.

### Education

William Mitchell College of Law

St. Paul, Minnesota

Juris Doctor

Creighton University

Omaha, Nebraska

B.A., Political Science with Distinction, *cum laude*

### Bar Admissions

Minnesota

### Honors and Awards

2013 and 2014 Super Lawyers-Rising Stars

### Professional Associations

National and Minnesota Public Employer Labor Relations Associations

Society for Human Resources Management

Labor and Employment Law, Public Law and Administrative Law Sections of the Minnesota State Bar Association



**Karina G. Patino** is a Legal Analyst with the law firm of **FLAHERTY & HOOD, P.A.** Karina compiles, reviews, researches, and develops analysis in the areas of job classification and compensation, labor law, and employment law for public sector clients. Karina has a Bachelor of Science degree in Paralegal Studies from the Minnesota School of Business. She is a member of the Twin Cities Compensation Network, Society for Human Resources Management, World at Work Compensation Institute, and the Minnesota Paralegal Association.

### **Work Experience**

FLAHERTY & HOOD, P.A.

St. Paul, Minnesota

Legal Analyst

Conducts job classification and compensation work, including conducting job analyses, drafting job descriptions, assigning job evaluation ratings, conducting salary surveys, and creating compensation structures. Performs organizational studies, including reviewing services provided by the city, reviewing staffing, organization, and reporting structures, surveying comparable entities, and preparing related analysis and recommendations.

SHAPIRO & ZIELKE

Burnsville, Minnesota

Legal Assistant

Drafted and e-filed foreclosure pleadings, motions, and notices; reviewed and organized land and property title searches; constructed case summaries for litigation; performed legal research; maintained and coordinated billing and accounting services; reviewed and submitted foreclosure publications.

THE BARBRI GROUP

Eagan, Minnesota

Team Lead Content Developer (Contract)

Reviewed Bar review content for online database; collaborated with team to organize and prioritize content; entered Bar review questions for various states into the Learnosity database; created assessments from the Bar review questions; completed final reviews of the product.

### **Education**

Minnesota School of Business

St. Paul, Minnesota

Bachelor of Science Degree in Paralegal Studies

### **Professional Associations**

Twin Cities Compensation Network

World at Work Compensation Institute Minnesota

Society for Human Resources Management

Paralegal Association (MPA)

## References

Flaherty & Hood, P.A. encourages you to contact the following city officials that have implemented and are currently utilizing the compensation system being proposed or a similar system designed, developed, and implemented by Flaherty & Hood, P.A.

Entity	Services Performed	Reference
City of Austin	Job Classification and Compensation Study, including: (1) position analysis and review of job descriptions; (2) drafting of updated and new job descriptions; (3) position classification and job evaluation; (4) conducting salary survey; (5) compensation system/structure development; (6) compensation system testing for pay equity compliance; (7) preparation and presentation of final results and report; and (8) system implementation.	<p>Tricia Wiechmann Human Resource Director 500 4th Avenue NE Austin, MN 55912 (507) 437-9940 <a href="mailto:twiechma@ci.austin.mn.us">twiechma@ci.austin.mn.us</a></p> <p>Implementation Date: 2019</p> <p>Personnel assigned to the project: Brandon M. Fitzsimmons Karina G. Patino</p>
City of Goodview	Job Classification and Compensation Study, including: (1) position analysis and review of job descriptions; (2) drafting of updated and new job descriptions; (3) position classification and job evaluation; (4) conducting salary survey; (5) compensation system/structure development; (6) compensation system testing for pay equity compliance; (7) preparation and presentation of final results and report; and (8) system implementation.	<p>Dan Matejka City Administrator 4140 West 5th Street Goodview, MN 55987 (507) 452-1630 <a href="mailto:dmatejka@goodviewmn.com">dmatejka@goodviewmn.com</a></p> <p>Implementation Date: 2019</p> <p>Personnel assigned to the project: Brandon M. Fitzsimmons Karina G. Patino</p>
City of Oakdale (study pending)  City of Moorhead	Job Classification and Compensation Study, including: (1) position analysis and review of job descriptions; (2) position classification and job evaluation; (3) conducting salary survey; (4) compensation system/structure development; (5) compensation system testing for pay equity compliance; (6) preparation and presentation of final results and report; and (7) system implementation.	<p>Christina Volkers City Administrator 1584 Hadley Avenue North Oakdale, MN 55128 <a href="mailto:chris.volkers@ci.oakdale.mn.us">chris.volkers@ci.oakdale.mn.us</a></p> <p>Implementation Date: 2017</p> <p>Personnel assigned to the project: Brandon M. Fitzsimmons Karina G. Patino</p>



## APPROACH

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### Background

With nearly 30 years in serving cities, Flaherty & Hood, P.A. understands cities' unique job evaluation, compensation, and organizational needs. Over the years, we have provided labor relations, employment law, and human resource services to numerous public entities serving populations from 1,000 to 293,000. To meet the classification and compensation needs of our city clients, Flaherty & Hood, P.A. developed and utilizes its own **job analysis questionnaires and job evaluation system** for job classification purposes and **sophisticated statistical methods** to identify a city's comparable entities and to develop a customized classification and compensation system. In addition, Flaherty & Hood provides classification and compensation clients **user-friendly electronic documents** for clients to review and update job analyses, job descriptions, job evaluation ratings, and the base pay structure. Finally, Flaherty & Hood drafts and provides **resolutions and pay and options for implementation documents** for city councils and boards of commissions for approval.

### Classification and Compensation Systems

Flaherty & Hood fully understands the complexities Minnesota cities need to be aware of and address in their classification and compensation program. Flaherty & Hood, P.A. approaches related studies in an objective, methodical, and customized manner.

A city's success depends on its employees' performance. To recruit and retain a productive and reliable workforce, Minnesota cities need to sufficiently compensate employees. In establishing employee compensation, Minnesota cities must ensure that each job in the city interrelate to each other so that a city can: optimize achievement of the city's mission, goals, and objectives; determine the relative worth and appropriate pay rate, other pay, and benefits for jobs; and comply with the Minnesota Pay Equity Act (PEA), Minn. Stat. §§ 471.991-.999, which requires that every Minnesota city establish compensation for female-dominated classes that is not consistently below the compensation for male-dominated classes of comparable value of work measured by the skill, effort, responsibility, and working conditions normally required in the performance of the work (a.k.a. job evaluation). In order to achieve these objectives, Minnesota cities need to establish job classification and compensation systems that appropriately value jobs within the city.

Job classification involves the systematic study of jobs to determine which activities and responsibilities they include, the personal qualifications necessary for performance of the jobs, the conditions under which the work is performed, and each job's relative importance and worth to other jobs internally and externally. Flaherty & Hood developed and utilizes its own job analysis questionnaires and Flaherty & Hood Job Evaluation System for job classification purposes which consistently and equitably measure the skill, effort, responsibility, and working conditions required of each job class. Information collected in the job analysis process is compared using a variety of uniform factors and sub-factors to systematically assign numerical ratings for each job class.

We are also able to utilize other systems that are in place if the city has enough access to the system to fully evaluate a position. Flaherty & Hood, P.A. has reviewed, analyzed, and made recommendations related to the following job evaluation systems: Hay, Modified Princeton Evaluation System, Springsted's Systematic Analysis and Factor Evaluation (SAFE) System, State

Job Match, and Decision Band Method (DBM). If the City decides to maintain their current job factor evaluation system, Flaherty & Hood, P.A. will be able to work with the City to evaluate its positions systematically and effectively.

Compensation includes the wages and salary paid by employers to employees in exchange for work (a.k.a. base pay); variable pay in the form of short- and long-term incentives, such as promotions and pay increases; other pay, such as premium pay above regular wages and salary for doing additional work or working additional hours; and the monetary value of benefits. Compensation establishes the standard of living for employees and is the primary indication of the value the city places on a position within the organization. A compensation system involves establishing how the city manages compensating employees. Flaherty & Hood, P.A. utilizes sophisticated statistical methods to identify a city's comparable organizations and to develop a compensation system.

In addition, employers must consider its total rewards. World at Work defines total rewards as: "All of the tools available to the employer that may be used to attract, motivate, and retain employees. Total rewards include everything the employee perceives to be of value resulting from the employment relationship." These tools include work-life effectiveness, recognition, performance management, and talent development. Flaherty & Hood, P.A. facilitates an employer's development of its total rewards through developing a policy, plan, and strategy for establishing and modifying, communicating, and implementing such rewards.

Flaherty & Hood, P.A. ensures that each city's classification and compensation system is:

- Internally equitable among all classifications
- Compatible with market conditions
- Affordable and cost-effective
- Legal, defensible, and compliant with pay equity
- Understandable
- Flexible
- Appropriate for the city
- A tool for employee development

## Market Analysis

Flaherty & Hood conducts market surveys to effectively collect and evaluate data from the comparable market entities and sources. We developed and utilize a **Cluster Analysis** to identify comparable entities for public sector entities. The market survey includes determining factors for each benchmarked position. The data collected is reviewed and organized in a user-friendly spreadsheet. Job classifications with usable market pay rates are utilized in the regression analysis (i.e., statistical approach to show the relationship between two variables, in this case the market pay and job evaluation points).

## Communication

Given our extensive experience with serving Minnesota cities, we understand the importance of open and honest communication with management and city staff regarding classification and compensation issues and will maintain the highest degree of professionalism while working with these groups. Flaherty & Hood will continually consult with management throughout each stage of studying the classification and compensation system.

## **Management**

We encourage management to give input and ask questions throughout the process. At each step of the process, we will provide the City of Audubon with draft documents, recommendations, and alternative actions to address the respective step, considering feedback from the City of Audubon and best practices. After each step of the process is completed, management will be asked to approve the step before moving to the next step. We find this leads to a better incorporation of the city's classification and compensation philosophy. Flaherty & Hood will work with management to ensure that all classification and compensation system projects are completed at the highest quality and in a timely and cost-effective manner.

## **Employees and Unions Involvement**

Flaherty & Hood, P.A. has a great deal of experience working with unionized workplaces in Minnesota cities. We allow all parties to have a say in the classification and compensation process while following all applicable laws related to cooperating with unions and employees.

We can engage employees in the study through:

- Holding meetings with employees and/or drafting for them an explanation of the study at the start or conclusion of a study so they can become informed of the system and ask any questions.
- Having a representative number of employees (both union and non-union) from each job class complete one of our thorough Job Analysis Questionnaires and/or provide feedback on the accuracy and completeness of their job descriptions. By having employees participate in this manner, we ensure the most accurate data is obtained.
- Providing management with responses to Frequently Asked Questions (FAQs) to use in responding to questions from employees and unions during the process.
- Establishing a working group that includes city management and employees to provide feedback on the system and/or recommendations for job descriptions, job evaluation points, market entities, and/or compensation structure.
- Developing a process for employees to request a review of their position's job description, job evaluations points and/or placement in the compensation structure.

Flaherty & Hood, P.A. will draft the following communication to incumbent employees explaining the job evaluation points review process:

- Timeline outline
- Forms
- Execution guide for city management to related communications
- Notification for employees
- Template responses for city management

## OUTLINE OF PROPOSAL

Flaherty & Hood, P.A.’s Job Classification and Compensation Study services for the City of Princeton will include the following services for the approximately 28 classifications referenced in the RFP.

Phase	Services	Timeline after Start
1.	<p>Introduction and Project Orientation</p> <ul style="list-style-type: none"> <li>• Review the City of Princeton’s current classification and compensation system, which includes:               <ul style="list-style-type: none"> <li>○ Classification and compensation-related policies and plans</li> <li>○ Job descriptions</li> <li>○ Job evaluation system and ratings</li> <li>○ Organizational chart</li> <li>○ Compensation and structure</li> <li>○ Pay equity report</li> </ul> </li> <li>• Draft communication to incumbent employees explaining the Job Classification and Compensation System Study, execution guides and responses to FAQs for City of Princeton’s management</li> </ul>	0-3 Weeks
2.	<p>Position Analysis</p> <ul style="list-style-type: none"> <li>• Draft and distribute job questionnaires to specified incumbent employees addressing the skill, effort, responsibility, and working conditions of the job</li> <li>• Management reviews and comments on completed questionnaires</li> <li>• Review and analyze completed questionnaires and management comments</li> </ul>	4-7 Weeks
3.	<p>Updates to Job Descriptions</p> <ul style="list-style-type: none"> <li>• Evaluate existing job descriptions to ensure they are current, accurate, and complete and provide written evaluation to management</li> <li>• Draft a uniform job description template and Job Description Drafting Guide</li> <li>• Analyze descriptions to ensure compliance with Federal and State regulations pertaining to compensation standards, including but not limited to Americans with Disabilities Act (ADA), FLSA, and pay equity law</li> </ul>	11-13 Weeks

Phase	Services	Timeline after Start
4.	<p>Position Classification Evaluation</p> <ul style="list-style-type: none"> <li>• Review current process used to evaluate skill, effort, responsibility, working conditions, and other relevant work-related criteria for each job</li> <li>• General <ul style="list-style-type: none"> <li>○ Using City’s current job evaluation system or Flaherty &amp; Hood’s Job Evaluation System: <ul style="list-style-type: none"> <li>▪ Define uniform compensable factors and subfactors</li> <li>▪ Establish points for factors and subfactors</li> <li>▪ Draft internal outline and external summary for City of Princeton on communicating and/or presenting in person proposed job evaluation system with/to employees and State of Minnesota Management and Budget (MMB)</li> </ul> </li> </ul> </li> <li>• Job specific <ul style="list-style-type: none"> <li>○ Establish and draft spreadsheet that systematically and objectively assigns points for each job using factors and subfactors</li> <li>○ Management reviews, comments, and makes any necessary changes on job evaluation system and job specific points</li> <li>○ Determine Fair Labor Standards Act exempt status of jobs</li> </ul> </li> </ul>	7-11 Weeks
5.	<p>Labor Market Employers Criteria and Selection and Compensation Analysis: Salaries and Benefits</p> <ul style="list-style-type: none"> <li>• Establish market entities and sources based on statistical analysis and Market Selection Questionnaire submitted to City</li> <li>• Determine benchmark jobs to compare</li> <li>• Compile, review and analyze market compensation data for benchmarked job classifications, including: <ul style="list-style-type: none"> <li>▪ Wages: base pay and pay structure</li> <li>▪ Insurance: health, dental, disability, life</li> <li>▪ Other: holidays, annual leave, sick leave, retirement, and deferred compensation</li> </ul> </li> <li>• Draft market comparison data spreadsheets and discuss with City of Princeton’s management</li> </ul>	2-7 Weeks
6.	<p>Classification and Compensation System Structure</p> <ul style="list-style-type: none"> <li>• Utilizing statistical analysis and Base Pay Development Questionnaire submitted to City of Princeton, analyze internal job evaluation points compared to external market survey data to develop basis on which to update or build pay structure</li> <li>• Draft proposed modifications to pay structure and schedule that include pay ranges based on job points</li> <li>• Draft analysis of City-wide cost and individual employee wage impact of the proposed pay structure</li> </ul>	11-14 Weeks

Phase	Services	Timeline after Start
7.	Classification & Compensation System/Compliance Testing <ul style="list-style-type: none"> <li>• Utilizing statistical analysis, ensure proposed job points and pay are internally and externally equitable and legally compliant</li> <li>• Prepare and provide to the City of Princeton a complete pay equity report on proposed job points and pay</li> <li>• Provide and submit any required communications and reports to MMB</li> </ul>	11-14 Weeks
8.	Preparation of Final Documents/Updated Compensation Policies <ul style="list-style-type: none"> <li>• Prepare a final report describing the study results and implementation recommendations with union and non-union employees</li> <li>• Present on findings and recommendations, including written and/or oral reports to City of Princeton Council, employee groups, and/or unions</li> <li>• Draft               <ul style="list-style-type: none"> <li>○ Recommended revisions to policies</li> <li>○ Compensation plan to manage compensation clearly, effectively, consistently, and efficiently</li> <li>○ How-to and execution guides and usable electronic spreadsheets for updating job descriptions, job evaluation ratings, and compensation, including methodology for determining the validity for requests for reclassification and/or compensation changes</li> </ul> </li> </ul>	15-18 Weeks
9.	System Implementation <ul style="list-style-type: none"> <li>• Recommend the best possible approach to coordinating the recommended pay plan with current collective bargaining agreements and wage plans, including timelines for implementation, and communicating it with employees and unions</li> </ul>	15-18 Weeks
10.	Training on System Maintenance and Updating <ul style="list-style-type: none"> <li>• Conduct training for the City of Princeton’s management on maintaining and updating job descriptions, job evaluation points, and adjusting the pay structure by utilizing the compensation plan, job evaluation and compensation how-to guides and electronic spreadsheets</li> </ul>	15-18 Weeks

## QUOTE SHEET

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Flaherty & Hood, P.A.'s Job Classification and Compensation System Study services for the City of Princeton will include the following services billed to the City at the hourly rate of \$125 per hour, subject to the not-to-exceed total lump sum fee referenced in the request for proposal (RFP), for the approximately 28 classifications referenced in the RFP. Services highlighted in yellow are those in which the City of Princeton can assist with that may mitigate the costs of the study.

The following requested categories in the Quote Sheet are not applicable: (i) Cost of Materials, Fees, Bonds, Taxes, or Surcharges, if any; and (ii) Identify Any Work Not Included In Total Cost, If Any. But, other and additional services are identified with costs beginning on the next page.

	Consultant Hours	Total Consultant Fees	Total Not- to Exceed Costs
Compensation Policy	2	\$250	\$250
Position Analysis	22	\$2,750	\$2,750
Position Classification Evaluation	24	\$3,000	\$3,000
Labor Market Employers Criteria and Selection Compensation Analysis – Salaries Compensation Analysis – Benefits	70	\$8,750	\$8,750
Classification & Compensation System & Compliance Testing	32	\$4,000	\$4,000
System Presentation, Implementation & Training	14	\$1,750	\$1,750

**Total Not to Exceed Cost:** \$20,500

**Proposal Submitted by:** (officer of company)

**Date:** August 27, 2021



**Printed Name:** Brandon M. Fitzsimmons, Shareholder Attorney

**Company Name:** Flaherty & Hood, P.A.

**Other City-Wide Services**

<u>Service</u>	<u>Total Cost</u>
Prepare PowerPoint and present to incumbent employees explaining the Job Classification and Compensation Study	\$750
Interview using position questionnaires for incumbent employees addressing the skill, effort, responsibility, and working conditions of their position	\$3,000
Draft new job descriptions for all positions in new format	\$3,000
Establish supplemental variable pay system, such as performance pay, merit pay, and/or skills or competency pay	\$2,000
Compile, review, and analyze organizational or market compensation data other than data not identified in Outline for Proposal	\$600 per category
Job Evaluation Point Review Process, including draft process, forms, execution guide, and template responses for requested reviews by employees of job descriptions and/or job evaluation ratings. Advise on handling specific reviews.	\$750

**Additional Job Classifications or Same Job Classifications after Study is Complete**

<u>Service</u>	<u>Total Cost</u>
Draft, review, and analyze position questionnaires for incumbent employee, if any, and management addressing the skill, effort, responsibility, and working conditions of the position, and draft new or updated job description and establish points after initial job classification pointed	\$800
Establish points and provide analysis for job pointing	\$350
Compile, review, and analyze market compensation data, including wages, wage structure, and health insurance benefits	\$800
Compile, review, and analyze market compensation data other than wages, wage structure, and health insurance contributions	\$600 per category

Fees and expenses incurred by Flaherty & Hood, P.A. in providing all services to the City of Princeton shall be billed as incurred on a monthly basis.

Items in addition to those above or other labor relations, employment law, and human resources services are available to City of Princeton and will be billed at the significantly reduced CGMC hourly rate of \$135 per hour for the first 25 hours of service in fiscal year 2020-2021 and \$155 per hour for all hours over 25.

Any travel time will be billed at one-half of the applicable hourly rate, along with mileage reimbursement at the I.R.S. rate.

Flaherty & Hood proposes that any contract between the parties be consistent with this proposal.