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Classification and Compensation Study



DDA

Human Resources, Inc.
a David Drown Associates Company

Agenda

Review Project Plan/Goals

Summary of Findings and
Analysis

Next Steps and Answer
Questions



Project Goals

What this Study IS

- One that ensures jobs are **classified appropriately** and meet FLSA guidelines.
- One that ensures **pay is competitive and equitably** structured.
- One that provides **policies and procedures** to keep the compensation system up-to-date.
- One that develops a **compensation system** that is easy to understand and administer.

- **NOT** a staffing needs study.
- **NOT** an organizational structure study.
- **NOT** a strategy designed to cut costs.
- **NOT** a strategy to eliminate positions.
- **NOT** a strategy to reduce or increase pay.

What this Study is NOT

What are we trying to address?

- ▶ To ensure that all jobs are aligned correctly internally and paid competitively against similar municipalities in the market.

So....we want to make sure that

- ▶ Job descriptions are current and have been consistently scored-this is the foundation of the system
- ▶ We know the fair market value of jobs.
- ▶ Jobs that are performing similar tasks are in the same category.

Columbus' Compensation Philosophy

The goal is to attract, retain and motivate committed employees who are service-oriented, competent and supportive of the City's mission. Therefore, the City endeavors to promote an equitable, healthy workplace culture where engaged employees feel valued and supported and are motivated to provide excellent customer service.

We Started with the Job Descriptions

- ▶ All position descriptions were reviewed to ensure they accurately describe the responsibilities of the position, and the skills and abilities required. They were also aligned with a consistent template so that all positions descriptions contained the same information.
- ▶ Then the positions were scored against the JET system.
- ▶ All employees will receive a copy of their updated job description.

Job Evaluation Tool(JET)

- ▶ What is job evaluation? A defined methodology to determine the relative value of jobs within an organization.
 - ▶ Provides an objective and documented method for job analysis and evaluation.
 - ▶ Provides the basis for determining pay.
 - ▶ JET provides a score which is then used to determine a salary grade

Columbus selected the JET system

- ▶ This system has 7 different factors, with several subfactors, that measures the impact of a job from multiple perspectives.
- ▶ JET includes points for supervision, hazards and adverse working conditions.
- ▶ As with any job evaluation system, JET focuses on the job, not the person
- ▶ JET meets all of the requirements of the state for Pay Equity reporting
- ▶ JET is better aligned with the public sector and is a very common tool used in MN replacing the Hay system

JET System

1. Qualifications

2. Decision Making

3. Problem Solving

4. Relationships

5. Effort Mental and Physical

6. Hazards

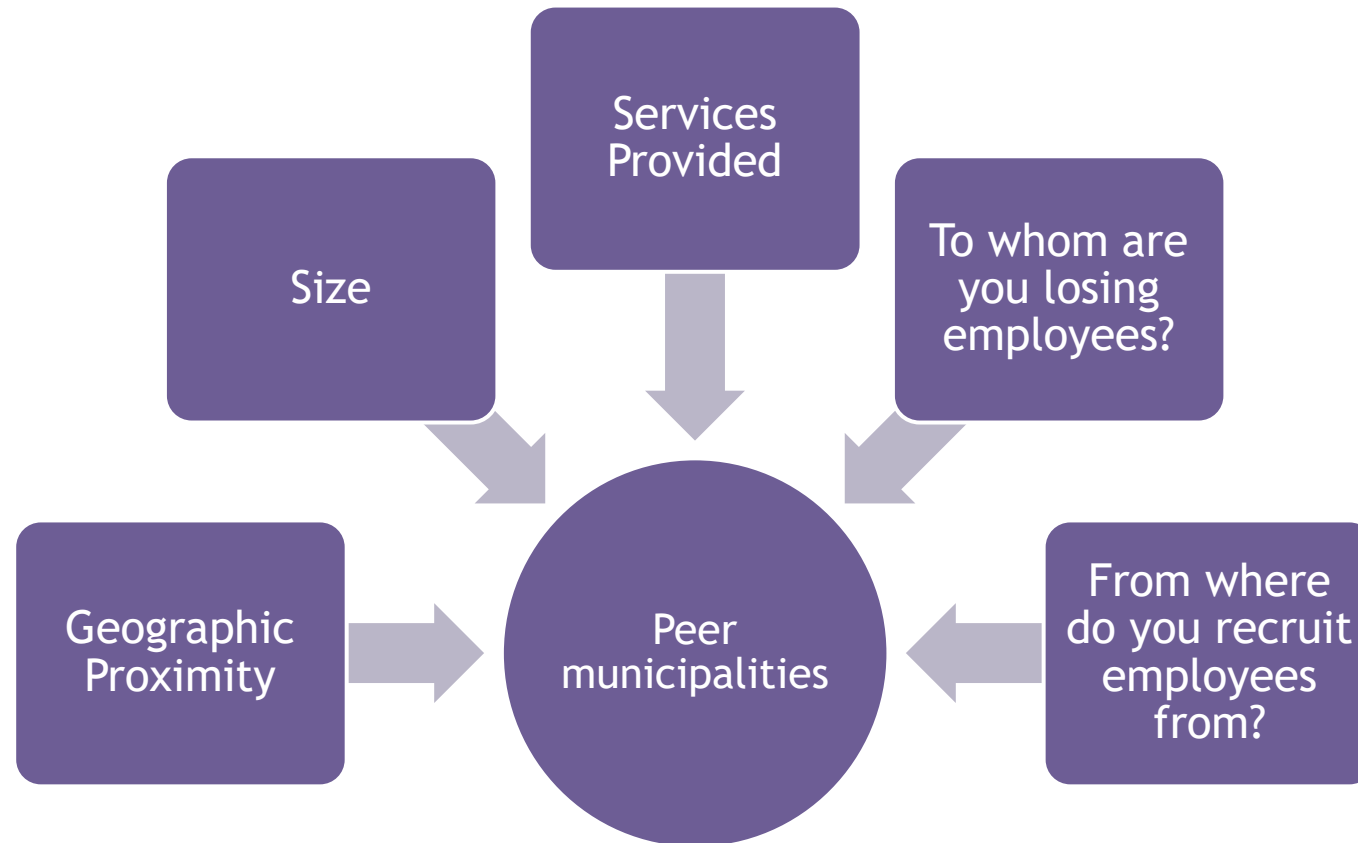
7. Environment

Example Scoring Grid for Qualifications

Knowledge and Skills from Formal Education and Training	Years of Related Work Experience Required										
	0 to 0.4	0.5 to 1.4	1.5 to 2.4	2.5 to 3.4	3.5 to 4.4	4.5 to 5.4	5.5 to 6.4	6.5 to 8.4	8.5 to 10.0	10+	
Examples of Years of Related Experience	0	1	2	3	4	5	6	7 to 8	9 to	>10	
No formal education - must be able to observe and follow demonstrated directions	QA1	QA2	QA3	QA4	QA5	QA6	QA7	QA8	QA9	QA10	30 33 36 40 44 48 53 58 64 71 36 40 44 48 53 58 64 70 77 85
Must be able to read and follow basic written instructions and simple diagrams	QB1	QB2	QB3	QB4	QB5	QB6	QB7	QB8	QB9	QB10	43 48 52 57 63 70 77 84 93 102 52 57 63 69 76 83 92 101 111 122
Requires reading, communication, math and problem solving skills equivalent to High School or GED	QC1	QC2	QC3	QC4	QC5	QC6	QC7	QC8	QC9	QC10	62 68 75 83 91 100 110 121 133 147 75 82 90 99 109 120 132 145 160 176
Requires specialized training beyond high school that is less than a two year tech or associate's degree	QD1	QD2	QD3	QD4	QD5	QD6	QD7	QD8	QD9	QD10	90 99 108 119 131 144 159 175 192 211 107 118 130 143 157 173 190 209 230 253
Requires two years of formal training beyond high school resulting in a tech or associate's degree	QE1	QE2	QE3	QE4	QE5	QE6	QE7	QE8	QE9	QE10	129 142 156 172 189 208 229 251 277 304
Requires a four year degree in a business, liberal arts, history, social science, education or general science program or equivalent	QF1	QF2	QF3	les	QF5	QF6	QF7	QF8	QF9	QF10	
Requires a bachelor's degree from a highly technical, restricted access program, such as engineering, computer science, nursing or a specialized qualification, such as a CPA or a non-technical master's degree, such as library science, language arts or history	QG1	QF2	QG3	QG4	QG5	QG6	QG7	QG8	QG9	QG10	
Requires advanced education equivalent to a technical/administrative master's degree or specialist certification in a technical field	QH1	QH2	QH3	QH4	QH5	QH6	QH7	QH8	QH9	QH10	
Requires advanced education equivalent to a doctorate degree in law, administration or medicine	QI1	QI2	QI3	QI4	QI5	QI6	QI7	QI8	QI9	QI10	

A Market Analysis was Performed Next

- ▶ DDA partnered with Columbus to select a group of 20 similar municipalities. Here are some factors that were considered when selecting this group:



Market Data Cohort for Comparisons

- ▶ DDA attempted to gather employee rosters from the following municipalities (3 cities are **spotlighted**, where the data was gathered but not included in overall averages):

City
Cannon Falls
Centerville
East Bethel
Falcon Heights
Forest Lake
Ham Lake
Hugo
Isanti
Lino Lakes
Medina

City
North Branch
Saint Francis
Scandia
White Bear Lake
Wyoming
Afton
Circle Pines
Deephaven
Elko New Market
Oak Grove
Oak Park Heights

How is a Market Analysis Performed?

- ▶ When DDA reviews the positions in other municipalities, we only use the match if most of the duties are close to the position at Columbus. We do the best we can based on what we know of the positions in the peer municipality
- ▶ In reviewing the salary information, if one of the municipalities pays significantly more or less than the others (i.e., is an outlier), we will remove that outlier data point from the analysis (but will still show the data) so Columbus can decide if they want to include the information.
- ▶ The data and related analyses were reviewed by the Personnel Committee, a Consultant who has been involved in the project and other staff members to ensure applicability, validity, accuracy, and consistency of the data.

How is Comparison to Market Defined?

Market Comparison

- ▶ For each position the percentage difference has been calculated between Columbus's minimum and maximum salary with the average of the market cohort selected.
- ▶ If the figure is:
 - Positive (+) : Figure indicates that Columbus pays above the market
 - Negative (-) : Figure indicates that Columbus 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)

Market Data - Base Salary

Why is +/- 10% Considered the Market?

- ▶ The Department of Labor established the +/- 10% as market.
- ▶ While there is nothing definitive around the 10% value, using that as a baseline will allow the organization to encompass employees who are all fully skilled at their job but may be paid at different rates for various reasons.
- ▶ Differences could be due to some of the following factors:
 - ▶ Past Performance
 - ▶ Time in the job
 - ▶ Differences in skills
 - ▶ Amount of responsibility
 - ▶ Previous experience
 - ▶ Higher certification level

Findings and Analysis

▶ Market Comparison

- ▶ When DDA compares the market data collected, we find that Columbus current and proposed structure, on the aggregate is:

	Current Min of Structure compared w Benchmark Min	Proposed Min of Structure compared w Benchmark Min	Current Min of Structure compared w Benchmark Min	Proposed Max of Structure compared w Benchmark Max
All Positions	7.1% below market	0.6% higher	7.2% below market	3.7% higher

- ▶ Based on these comparisons, Columbus in the current structure would be considered aligned with the market.
- ▶ Based on these comparisons, Columbus in the proposed structure would be considered highly aligned with the market.

Details for the market rates for all benchmark positions are on the next slides; cells in red are over 10% below market, cells in green are over 10% above market

Findings and Analysis

Job Title	# Market Matches	Client MIN	Client MAX	Bench MIN	Bench MAX	New Grade	New Min	New Max	Client	Client	NEW	NEW	Client Range Spread	Bench Range Spread
									Min % of Bench	Max % of Bench	Min % of Bench	Max % of Bench		
Accounting Assistant	8	\$26.69	\$33.28	\$28.37	\$35.78	2	\$27.83	\$36.51	94%	93%	98%	102%	25%	26%
Permit Coordinator	4	\$27.10	\$33.62	\$28.61	\$35.05	2	\$27.83	\$36.51	95%	96%	97%	104%	24%	22%
Public Works Maint II	7	\$28.46	\$35.48	\$30.05	\$37.55	2	\$27.83	\$36.51	95%	94%	93%	97%	25%	25%
Code Compliance Inspector	5	\$28.68	\$35.56	\$35.33	\$43.19	4	\$32.14	\$42.17	81%	82%	91%	98%	24%	22%
Assistant City Administrator	4	\$41.18	\$53.09	\$36.31	\$48.42	9	\$47.54	\$62.39	113%	110%	131%	129%	29%	33%
Public Works Director	5	\$41.18	\$53.09	\$46.39	\$61.65	9	\$47.54	\$62.39	89%	86%	102%	101%	29%	33%
Director of Finance/Deputy Treasurer	7	\$41.18	\$53.09	\$53.11	\$66.40	9	\$47.54	\$62.39	78%	80%	90%	94%	29%	25%
City Administrator/Treasurer/City Clerk	9	\$55.20	\$72.30	\$55.80	\$71.88	10	\$57.29	\$75.18	99%	101%	103%	105%	31%	29%
									92.90%	92.80%	100.60%	103.70%	27%	27%

2 positions (Deputy Clerk and Associate Planner) were included in the study but there were less than 4 market matches found so we cannot provide a market analysis. For these positions, we relied on the market data for the other positions and the JET points assigned to determine their position in the new structure

Assistant City Administrator had matches but we found the range of responsibilities varied widely. We chose to keep this position in this market analysis but it skewed high primarily because our position had a much wider range of responsibilities

Last Step: Salary Structure Design

- ▶ Once the data is collected, we use it to create a salary structure for the entire organization.
- ▶ The structure has a series of salary ranges, and those ranges are based on how Columbus evaluates the job internally and the market information that was collected. The ranges are organized by Position Grade.
- ▶ Position Grade is a number assigned to a range of points that resulted from evaluating the job descriptions using JET. A grade includes a span of “points” that result from the JET evaluation.
- ▶ There are usually several jobs in a Grade and that means that those jobs, while performing vastly different duties, are viewed by Columbus as being roughly at the same level.

Results

City of Columbus						% of Bench Avg >		92.90%		92.80%													
NEW Pay Plan Calibrated for 2026 Wages				NEW		100.60%		103.70%															
				Steps																			
				4.00%		3.50%		3.00%		3.00%		3.00%		3.00%		2.60%		2.50%					
Grade				1		2		3		4		5		6		7		8		9		10	
	1	\$26.25	\$27.30	\$28.26	\$29.10	\$29.98	\$30.88	\$31.80	\$32.76	\$33.59	\$34.45		31.24%										
Accting Asst., Permit Coordinator, Public Works Maint. II	2	\$27.83	\$28.94	\$29.95	\$30.85	\$31.77	\$32.73	\$33.71	\$34.72	\$35.61	\$36.51		31.19%										
Deputy Clerk, Asst. Planner	3	\$29.22	\$30.38	\$31.45	\$32.39	\$33.36	\$34.36	\$35.40	\$36.46	\$37.39	\$38.34		31.21%										
Code Compliance Inspector	4	\$32.14	\$33.42	\$34.59	\$35.63	\$36.70	\$37.80	\$38.93	\$40.10	\$41.13	\$42.17		31.21%										
	5	\$36.96	\$38.44	\$39.78	\$40.98	\$42.20	\$43.47	\$44.78	\$46.12	\$47.29	\$48.50		31.22%										
	6	\$39.18	\$40.74	\$42.17	\$43.43	\$44.74	\$46.08	\$47.46	\$48.89	\$50.13	\$51.41		31.21%										
	7	\$41.92	\$43.60	\$45.12	\$46.47	\$47.87	\$49.30	\$50.78	\$52.31	\$53.64	\$55.01		31.23%										
	8	\$44.85	\$46.65	\$48.28	\$49.73	\$51.22	\$52.76	\$54.34	\$55.97	\$57.40	\$58.86		31.24%										
Asst. City Administrator, Finance Director and Public Works Director	9	\$47.54	\$49.45	\$51.18	\$52.71	\$54.29	\$55.92	\$57.60	\$59.33	\$60.84	\$62.39		31.24%										
City Administrator	10	\$57.29	\$59.58	\$61.67	\$63.52	\$65.42	\$67.39	\$69.41	\$71.49	\$73.31	\$75.18		31.23%										

Implementation Plan

- ▶ New salary ranges are effective 1.1.2026. Current step system will be used until that time.
- ▶ All Performance Reviews will be moved from employee anniversary date (or promotion date) to 1.1.2026. This means that Performance Reviews will be conducted in December each year.
- ▶ Proposed: If Performance review was performed before June 1, 2025, it will be repeated in December 2025 but no salary increase will be associated with that performance review.
- ▶ Proposed: If Performance review was performed AFTER June 1, 2025 an abbreviate review with the employee will be held to confirm that the documented performance is still accurate.
- ▶ Effective beginning first pay period in January 2026, all employees will be placed in the step that is the next highest pay to their current salary.
- ▶ The step ranges were aged to reflect market in to 12.31.25 so no COLA will be implemented in 2026.

Any Questions?

