

Final Report

City of Osseo, Minnesota

Classification and Compensation Study

November, 2017

Table of Contents

LETTER OF TRANSMITTAL

1	INTRODUCTION	1
2	METHODOLOGY.....	3
3	FINDINGS AND RECOMMENDATIONS.....	4
	Evaluation of the Current Compensation Program.....	4
	Pay Philosophy	4
	Defining and Evaluating Job Classes.....	5
	Development of a Salary Schedule	6
	Survey Results	6
	Designing the Pay Plan.....	6
4	IMPLEMENTATION.....	8
5	ON-GOING ADMINISTRATION.....	10
6	RECOMMENDATIONS	11

SALARY SURVEY SUMMARY	APPENDIX I
-----------------------------	------------

COMPENSATION PLAN	APPENDIX II
-------------------------	-------------

POSITION GRADE ASSIGNMENTS	APPENDIX III
----------------------------------	--------------

FRINGE BENEFIT COMPARISON	APPENDIX IV
---------------------------------	-------------

Mission Statement

Springsted provides high quality, independent financial
and management advisory services to public
and non-profit organizations, and works with them
in the long-term process of building their communities
on a fiscally sound and well-managed basis.



Springsted Incorporated
380 Jackson Street, Suite 300
Saint Paul, MN 55101-2887

Tel: 651-223-3000
Fax: 651-223-3002
www.springsted.com

LETTER OF TRANSMITTAL

November 7, 2017

Mr. Riley Grams
City Administrator
City of Osseo
415 Central Avenue
Osseo, MN 55369

Re: 2017 Classification and Compensation Study Final Report

Dear Mr. Grams:

Springsted Incorporated is pleased to provide the City of Osseo, Minnesota with the completed Classification and Compensation Study. This study provides an overview of the City's current compensation and classification system in the context of our final report, including the methodology used to revise position descriptions, job evaluation results, the compensation plan and options for implementation of the new program.

This study represents a thorough and comprehensive review of all aspects of the City's classification and compensation system. The recommendations offered in this study will increase the market competitiveness of the City's compensation program for its employees within the regional marketplace, and provide increased internal equity among positions. Implementation of these recommendations will help the City attract new employees and assist in retaining current employees needed to meet the City's service demands.

Springsted expresses its thanks to the City of Osseo, Minnesota staff who completed Position Analysis Questionnaires and to you for providing information and feedback throughout the phases of the study. We appreciate the privilege of serving the City of Osseo, Minnesota, and hope that we may be of assistance to you in the future.

Respectfully submitted,

Julie Urell, Assistant Vice President
Consultant

1. Introduction

The City of Osseo, Minnesota retained Springsted Incorporated to conduct a Classification and Compensation Study of all City positions in March of 2017. The study represents a comprehensive review of the components that affect an organization's compensation program: current compensation structure, the City's pay philosophy, regional market competitiveness of City salaries, the internal equity of salaries paid to comparable City positions, fringe benefits, and ongoing maintenance and administration of the compensation system. A classification and compensation system provides the framework for determining how employees will be paid. As a general rule, most organizations conduct classification and compensation studies every five to seven years to ensure their ability to hire and retain qualified employees and to maintain equitable internal pay relationships. Conducting a classification and compensation study provides an opportunity to evaluate jobs to determine the internal relationships of positions within the organization. A classification and compensation study also involves a review of market salaries for similar positions found in comparable organizations. The resulting analysis of data obtained from the market salary survey and job evaluations provides the basis for a revised salary schedule.

The purpose of this study is to ensure that the City's compensation plan is adequate to attract new employees and retain existing employees. If compensation levels fall below market, the organization will experience difficulty hiring people and increased employee turnover as employees seek jobs with other organizations that will pay market rates for their skills.

Springsted utilized League of Minnesota Cities Survey wage and benefit data, as well as compensation statistics from the Economic Research Institute (ERI) to obtain information about comparable positions and the characteristics of compensation plans used by responding agencies. Data for twenty-one entities was used in the survey:

- City of Anoka, MN
- City of Brooklyn Center, MN
- City of Brooklyn Park, MN
- City of Champlin, MN
- City of Corcoran, MN
- City of Dayton, MN
- City of Deephaven, MN
- City of East Bethel, MN
- City of Excelsior, MN
- City of Hanover, MN
- City of Victoria, MN
- City of Lexington, MN
- City of Maple Grove, MN
- City of Medina, MN
- City of Mahnommen, MN
- City of New Hope, MN
- City of Otsego, MN
- City of Rogers, MN
- City of Spring Lake Park, MN
- City of St. Michael, MN
- City of Watertown, MN
- City of Wayzata, MN

This report explains the results of the Classification and Compensation Study. It reflects the involvement of City staff, who attended an orientation session at the outset of the study and completed Position Analysis Questionnaires.

2. Methodology

Springsted Incorporated used the following methodology to develop a new classification and compensation plan for the City's positions:

1. Springsted met with the City Administrator to establish working relationships, review current policies and practices relating to the City's existing pay practices and obtain background information.
2. Employees attended an orientation session conducted by Springsted to learn about the study process. During this session, Springsted encouraged employees to ask questions, to voice concerns, and to offer input into the study.
3. Employees received Position Analysis Questionnaires (PAQs) and were encouraged to participate in the study by completing the form. The PAQ allows employees to provide information about required education and experience, knowledge, skills and abilities, and characteristics and factors applicable to their position. Each employee's supervisor reviewed the completed form for accuracy and completeness, providing any additional information they felt was relevant to the position. Supervisors were directed not to change any employee provided information.
4. We analyzed the PAQs and conducted an initial job evaluation using the SAFE (Systematic Analysis and Factor Evaluation) system. The SAFE system provides a consistent and objective approach to evaluate jobs by applying standard criteria to the training and experience needed to perform the job, the level of complexity in the work performed, working conditions, the impact of end results and the consequences of error.
5. A total compensation survey was utilized for the City using existing data from comparable organizations, including the salary ranges established for and the actual salaries of benchmark positions comparable to City of Osseo positions. The survey results reflect data available for all twenty-one entities from the League of Minnesota Cities Survey.
6. Using the salary survey data and the results of the SAFE job evaluation system, Springsted developed a proposed pay schedule and assigned each position to the appropriate salary grade.

3. Findings and Recommendations

Conducting a comprehensive compensation study involves the analysis of substantial quantities of data collected from comparable employers and the City. We have evaluated the City's existing compensation program based on our analysis of the study data and the survey results. Using this information, we have developed recommendations for development of a new compensation system for the City of Osseo.

Evaluation of the Current Compensation Program

Discussions with City personnel and a review of current compensation data indicates that many of the positions in the City of Osseo are under-compensated in relation to other comparable organizations, although some that are below the market fall within industry standards (+/- 5%) of the market average. Other findings indicate:

- Concerns about the potential for future employee turnover as employees reach retirement or because employees choose to leave the City to take higher paying jobs or promotional opportunities with other employers
- Potential difficulty hiring new personnel, especially for specialized positions
- Positions with comparable responsibilities requiring comparable education and experience that are assigned to different pay ranges

Pay Philosophy

A pay philosophy guides the design of a compensation system and answers key questions regarding pay strategy. It generally takes a comprehensive, long term focus and explains the compensation program's goals and how the program supports the employer's long-range strategic goals. Without a pay philosophy, compensation decisions tend to be viewed from a short-term tactical standpoint apart from the organization's overall goals.

Market competitiveness and internal equity are among the most important areas addressed in a pay philosophy. An organization's desired market position involves defining the market and identifying where the organization wants to be positioned within that market. Market position should balance what it takes to attract new employees and to retain skilled employees (in other words, eliminating higher pay as the reason employees leave the organization) with the organization's financial resources. Internal equity expresses an organization's desire to provide comparable pay to positions with comparable duties and responsibilities.

A pay philosophy should be developed that establishes a compensation program based on individual employee performance as a key feature of the pay philosophy. Therefore, we have emphasized references to performance in the

pay philosophy discussion. As part of this study, it is recommended that the City consider these concepts in the adoption of a formal pay philosophy:

- Providing fair and equitable rates of pay to employees
- Defining the City's market area
- Developing a system that establishes a "market rate" for each position and states the minimum wage and maximum rates that the City will pay individuals within a position
- Establishing rates of pay that allow the City to compete successfully for new employees within its market area
- Establishing a market position that is fiscally responsible with public resources
- Ensuring that pay rates for existing employees are based on individual performance that meets or exceeds expectations and reflects changing economic conditions
- Developing a pay system that allows employees to progress through the pay range as long as their performance consistently meets expectations
- Developing pay administration policies and procedures that ensure their consistent application between departments
- Ensuring that the compensation program is understandable to employees, managers, the City Council, and the public

Defining and Evaluating Job Classes

City employees completed individual Position Analysis Questionnaires (PAQs). Supervisors reviewed the PAQs and provided information for each position. Employees and supervisors both responded to questions regarding essential duties and responsibilities, education and experience requirements, various job factors affecting positions, working conditions and the physical requirements of each job in compliance with the Americans with Disabilities Act (ADA).

We examined the PAQs carefully to review the type of work performed and the qualifications of positions. If the work performed is essentially the same, positions can be consolidated into one job class, such as Public Works Maintenance Worker. Consolidating job titles, if practicable, can be beneficial for an organization as it can promote internal equity, particularly with comparable positions that exist in different departments. It also gives greater flexibility to supervisors in assigning work and supports employee cross training and professional development.

All job classes were reviewed to determine those positions that can be exempted from the overtime provisions of the federal Fair Labor Standards Act (FLSA) consistent with the regulations which took effect on August 23, 2004. At this time,

we recommend only three positions be classified as exempt: City Administrator, Police Chief and Public Works Director.

We utilized the SAFE job evaluation system to review and rate each City position. The factors considered in determining the relative value of classifications are:

- Training and Ability
- Level of Work
- Physical Demands
- Independence of Actions
- Supervision Exercised
- Experience Required
- Human Relations Skills
- Working Conditions/Hazards
- Impact on End Results

Development of a Salary Schedule

The process of developing a salary schedule draws substantially from market data. This data is obtained by utilizing a survey of other comparable employers within the City's defined market. Entities provide information about the structure of their pay plans, the minimum, maximum and actual salary rates of positions, years to maximum, number of steps, and information on additional compensation, if relevant.

Survey Results

The League of Minnesota Cities Survey includes a series of questions designed to obtain information on a variety of pay practices, and Springsted used data only from comparable employers in the region. Of the 14 positions included in the survey, the information for 10 positions was used in analyzing the salary data. Four positions were not used in the overall analysis, as there was either incomplete or inconsistent information provided by the responding organizations. A review of the salary ranges, for the City's positions that have established ranges, indicates that the salary ranges for the majority of the City of Osseo positions included in the survey are below those of comparable organizations. City of Osseo minimum salaries are, on average, 18.55% below the market average, midpoint salaries are 17.81% below the market average midpoints and the maximums of the salary ranges are 17.27% below the average maximums reported by the survey participants.

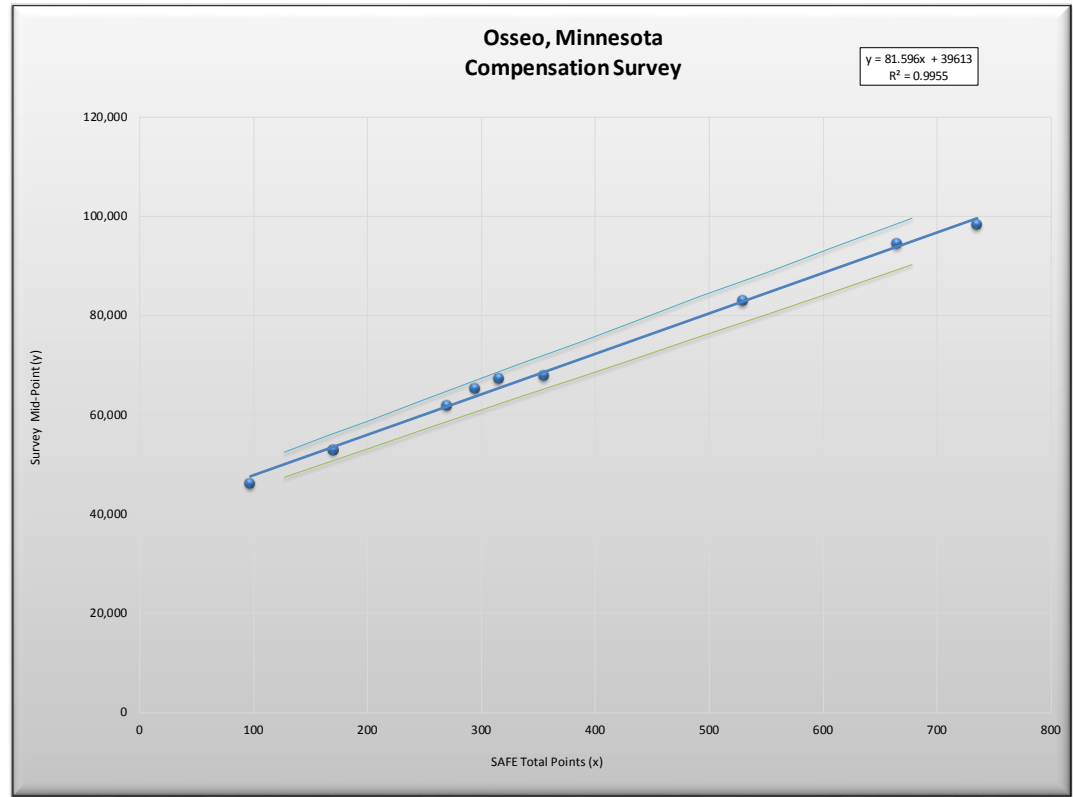
A summary of the market survey results can be found in Appendix I.

Designing the Pay Plan

The first step in designing a compensation plan is to create a salary curve using the salary survey data for the City's positions and the corresponding job evaluation point factors for each position. This data produced the salary curve shown on the following page. Any given point on the salary curve identifies where the market salary rate and the job evaluation point factors intersect.

The recommended compensation plan was designed by establishing 18 pay grades with a 6 percent spread between pay grades. The midpoint of each pay grade generally corresponds with the market as defined by the salary survey. Each

grade has 9 steps with 3% between steps. The proposed pay scale can be found in Appendix II.



Each position was then assigned to the appropriate salary grade based on the points it received as a result of the job evaluation. Position Grade Assignments are shown in Appendix III.

It is recommended that as part of this compensation plan, individual employee movement between steps be based on individual employee performance. Employees should only receive step increases if their performance is satisfactory or better.

An established performance evaluation program includes ongoing training on the system, ensuring that supervisors in all departments consistently apply performance standards. When compensation is based on performance, employees look for assurance that managers will honestly evaluate performance and not inflate ratings in order to obtain a higher salary for particular employees. Generally, such systems include a review by the Council's Personnel Committee, providing a mechanism that helps supervisors apply performance standards consistently for all employees.

When pay is based on performance, the evaluation system often provides for reviews at 6 or 12-month intervals (or ideally, more frequently), so employees

know how their supervisors view their performance and have the opportunity to improve performance and their corresponding prospects for a pay increase. Employees who have satisfactory or better performance evaluations should expect annual wage increases.

4. Implementation

To estimate implementation costs we used current 2017 employee salaries supplied by the City. Of significance:

- 4 of the City's 14 employees have a current wage that falls below the minimum of the proposed grade for their position in the pay scale.
- Nine City employees have a current wage that falls within the range of the proposed grade for their position in the pay scale.
- One City employee has a current wage that falls above the range of the proposed grade for their position in the pay scale.

Implementation Option 1

The first option for implementation of the study results involves moving employees whose current wage falls below the minimum of the proposed range for their position to the minimum of the range. Four members of the City's workforce are currently compensated at a level that is below the proposed grade for their position. The annual cost to bring these employees to the minimum of the proposed grade is \$26,383, or 2.93% of the City's total payroll.

Option 1 - Move to Min					
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	14	\$ 901,233.80	\$ 927,616.60	\$ 26,382.80	2.93%
Employee Below Min	4	\$ 175,068.00	\$ 201,450.80	\$ 26,382.80	15.07%
Employee Within Range	9	\$ 656,637.80	\$ 656,637.80	\$ -	
Employee Above Max	1	\$ 69,528.00	\$ 69,528.00	\$ -	

Implementation Option 2

The second option for implementation brings employees whose current wage falls below the minimum of the proposed grade for their position to the minimum of the range. Also, Option 2 moves employees whose current wage falls within the proposed grade for their position onto the scale based on the relationship of their current wage to the proposed range for their position. Of the City's 14 employees, nine employees have a current wage which falls within the proposed range for their position. To move these employees onto the proposed wage scale, the employees will move on to the step closest to their current wage, without a decrease. The annual cost to move employees onto the proposed compensation plan under Option 2 is \$36,744, or 4.08% of the City's total payroll.

Option 2 - Next Step					
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	14	\$ 901,233.80	\$ 937,977.91	\$ 36,744.11	4.08%
Employee Below Min	4	\$ 175,068.00	\$ 201,450.80	\$ 26,382.80	15.07%
Employee Within Range	9	\$ 656,637.80	\$ 666,999.11	\$ 10,361.31	1.58%
Employee Above Max	1	\$ 69,528.00	\$ 69,528.00	\$ -	

Implementation Option 3

Option 3 accomplishes all aspects of Options 1 and 2. Additionally, it awards employees step increases based upon years of service with the organization. The annual cost is \$65,212, or 7.24% of the City's total payroll.

Option 3 - Yrs of Svc					
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	14	\$ 901,233.80	\$ 966,445.53	\$ 65,211.73	7.24%
Employee Below Min	4	\$ 175,068.00	\$ 210,486.16	\$ 35,418.16	20.23%
Employee Within Range	9	\$ 656,637.80	\$ 686,431.38	\$ 29,793.58	4.54%
Employee Above Max	1	\$ 69,528.00	\$ 69,528.00	\$ -	

5. On-Going Administration

After initial implementation is achieved, the City will need to develop administration procedures that provide for annual salary adjustments based on market and economic conditions and adjustments that recognize individual performance.

Employee Adjustments. Employees will move through the wage schedule based on years of service and performance factors. An employee hired at the minimum wage rate who maintains satisfactory performance will move from the minimum to the maximum wage rate in approximately 9 years. Those with above satisfactory performance could move through the wage schedule in a shorter time frame.

Base adjustments. In subsequent years it will be necessary for the City to adjust the salary schedules based on cost of living and other factors such as recruitment and retention issues. The City can establish a guideline for determining annual base adjustments. For example, the City could base its adjustment on the Consumer Price Index (CPI). The City could also contact comparable jurisdictions to find out what percentage adjustment they are making to their pay scales as a second level of verification of the pay range adjustment. This would also ensure that the City maintains marketability among comparable regional organizations.

For example, if the CPI were 3%, a 3 percent increase would be applied to the pay scale. In addition, employees would move to the next step of the wage schedule on their anniversary date, based on satisfactory performance. By making this base adjustment to all employee salaries, the City ensures that employees will not again fall behind the market.

Benefits. The cities that responded to the salary survey also provided information about their fringe benefit programs. A Fringe Benefit Survey Summary appears in Appendix IV.

Periodically conduct salary studies. We recommend that the City consider conducting a study of its salary plan every five years or more often, as needed. During a five-year period, the essential functions and requirements of some City positions will change. Economic conditions will also change. Conducting a salary study at regular intervals will help the City stay abreast of market changes and will help it to attract and retain employees.

6. Recommendations

The following recommendations are presented for the City's consideration:

1. Develop a pay philosophy that will guide the City's compensation practices, subject to periodic review.
2. Determine the date the adopted pay plan will go into effect.
3. Review the need for annual adjustments to the City salary schedule in accordance with economic conditions, the City's ability to pay, and other relevant factors. Organizations generally consider the percentage adjustment by which comparable organizations are increasing their pay scales as well as general economic conditions.
4. Use the SAFE job evaluation system to determine the appropriate range assignment for newly created positions, or when a substantial change occurs in assigned functions.
5. Conduct salary surveys every five years (more often, if necessary) to ensure that the City's pay scale is keeping pace with the market.
6. Continually develop the performance evaluation program.

Appendix I

Summary of Salary Survey Results

Sheet	Position Surveyed	Number of Respondents	Average FTES	Average YOS	Average Midpoint	Minimum Salary			Midpoint Salary		Maximum Salary		
						Lowest	Highest	Average	Lowest	Highest	Lowest	Highest	Average
1	Administrative Assistant	13	1.31		46,058.75	32,489.60	44,968.90	40,577.55	37,003.20	50,315.20	41,516.80	55,952.00	51,539.94
2	DNU - Adult Recreation and Farmers Market Coordinator												
3	DNU - Assistant Fire Chief												
4	City Administrator	11	1.00		98,260.89	69,324.00	104,775.00	86,630.52	79,536.50	117,473.00	89,749.00	130,603.20	109,508.31
5	City Clerk	7	1.00		67,190.96	51,549.00	67,594.00	59,620.61	57,963.50	74,926.50	64,378.00	82,259.00	74,761.30
6	City Planner	5	1.00		67,849.81	56,056.00	66,414.40	59,601.10	66,014.50	74,713.60	63,646.00	83,012.80	75,140.64
7	Accountant	7	1.00		61,925.02	47,923.20	64,189.00	55,004.11	54,288.00	71,152.50	60,652.80	78,116.00	69,624.60
8	DNU - Fire Chief												
9	Office Manager - Police	4	1.00		64,796.25	49,274.00	64,337.00	57,465.55	58,077.00	71,316.00	66,880.00	78,295.00	72,126.95
10	Police Chief	8	1.00		94,468.74	70,033.60	98,571.20	82,418.57	81,099.20	110,884.80	92,164.80	123,198.40	106,518.92
11	Police Officer	12	17.42		65,254.10	47,028.80	59,687.26	53,440.33	59,429.50	69,243.20	66,155.96	82,222.40	77,332.75
12	Public Works Director	11	1.00		82,813.64	65,956.80	79,934.40	73,749.64	75,348.00	88,722.40	84,739.20	100,859.20	92,007.46
13	Public Works Maintenance Worker	17	3.29		52,773.75	38,909.00	53,195.79	45,210.21	48,241.80	58,094.40	53,718.90	69,472.00	60,337.29
14	DNU - Senior Center Coordinator												
	Averages	9.50	2.90										
	DNU - did not use survey information												

Sheet	Position Surveyed	Number of Respondents	Average FTES	Average YOS	Average Midpoint	Osseo, MN Information								
						Min	Diff	%	Mid	Diff	%	Max	Diff	%
1	Administrative Assistant	13	1.31		46,058.75	32,281.60	(8,295.95)	-25.70%	37,159.20	(8,899.55)	-23.95%	42,036.80	(9,503.14)	-22.61%
2	DNU - Adult Recreation and Farmers Market Coordinator													
3	DNU - Assistant Fire Chief													
4	City Administrator	11	1.00		98,260.89	80,424.00	(6,206.52)	-7.72%	93,090.00	(5,170.89)	-5.55%	105,756.00	(3,752.31)	-3.55%
5	City Clerk	7	1.00		67,190.96	53,393.60	(6,227.01)	-11.66%	61,464.00	(5,726.96)	-9.32%	69,534.40	(5,226.90)	-7.52%
6	City Planner	5	1.00		67,849.81	44,700.00	(14,901.10)	-33.34%	51,744.00	(16,105.81)	-31.13%	58,788.00	(16,352.64)	-27.82%
7	Accountant	7	1.00		61,925.02	53,393.60	(1,610.51)	-3.02%	61,464.00	(461.02)	-0.75%	69,534.40	(90.20)	-0.13%
8	DNU - Fire Chief													
9	Office Manager - Police	4	1.00		64,796.25	38,188.80	(19,276.75)	-50.48%	43,950.40	(20,845.85)	-47.43%	49,712.00	(22,414.95)	-45.09%
10	Police Chief	8	1.00		94,468.74	70,980.00	(11,438.57)	-16.12%	82,158.00	(12,310.74)	-14.98%	93,336.00	(13,182.92)	-14.12%
11	Police Officer	12	17.42		65,254.10	58,837.00	5,396.67	9.17%	64,938.50	(315.60)	-0.49%	71,040.00	(6,292.75)	-8.86%
12	Public Works Director	11	1.00		82,813.64	57,504.00	(16,245.64)	-28.25%	66,558.00	(16,255.64)	-24.42%	75,612.00	(16,395.46)	-21.68%
13	Public Works Maintenance Worker	17	3.29		52,773.75	38,188.80	(7,021.41)	-18.39%	43,950.40	(8,823.35)	-20.08%	49,712.00	(10,625.29)	-21.37%
14	DNU - Senior Center Coordinator													
	Averages	9.50	2.90				(8,582.68)	-18.55%		(9,491.54)	-17.81%		(10,383.66)	-17.27%
	DNU - did not use survey information													

Appendix II
2017 Proposed Pay Scale

% Between Grades:	6%
% Between Steps:	3.0%
Starting midpoint:	42,000

Range: 26.68%

			Step								
Pts		Grade	1	2	3	4	5	6	7	8	9
0	- 44	1	37,316.46	38,435.95	39,589.03	40,776.70	42,000.00	43,260.00	44,557.80	45,894.53	47,271.37
45	- 76	2	39,555.44	40,742.11	41,964.37	43,223.30	44,520.00	45,855.60	47,231.27	48,648.21	50,107.65
77	- 109	3	41,928.77	43,186.63	44,482.23	45,816.70	47,191.20	48,606.94	50,065.14	51,567.10	53,114.11
110	- 145	4	44,444.50	45,777.83	47,151.17	48,565.70	50,022.67	51,523.35	53,069.05	54,661.12	56,300.96
146	- 183	5	47,111.17	48,524.50	49,980.24	51,479.64	53,024.03	54,614.75	56,253.20	57,940.79	59,679.02
184	- 223	6	49,937.84	51,435.97	52,979.05	54,568.42	56,205.47	57,891.64	59,628.39	61,417.24	63,259.76
224	- 266	7	52,934.11	54,522.13	56,157.79	57,842.53	59,577.80	61,365.14	63,206.09	65,102.27	67,055.34
267	- 311	8	56,110.15	57,793.46	59,527.26	61,313.08	63,152.47	65,047.05	66,998.46	69,008.41	71,078.66
312	- 359	9	59,476.76	61,261.06	63,098.90	64,991.86	66,941.62	68,949.87	71,018.36	73,148.91	75,343.38
360	- 410	10	63,045.37	64,936.73	66,884.83	68,891.38	70,958.12	73,086.86	75,279.47	77,537.85	79,863.99
411	- 463	11	66,828.09	68,832.93	70,897.92	73,024.86	75,215.60	77,472.07	79,796.23	82,190.12	84,655.82
464	- 520	12	70,837.77	72,962.91	75,151.80	77,406.35	79,728.54	82,120.40	84,584.01	87,121.53	89,735.17
521	- 581	13	75,088.04	77,340.68	79,660.90	82,050.73	84,512.25	87,047.62	89,659.05	92,348.82	95,119.28
582	- 645	14	79,593.32	81,981.12	84,440.56	86,973.77	89,582.99	92,270.48	95,038.59	97,889.75	100,826.44
646	- 713	15	84,368.92	86,899.99	89,506.99	92,192.20	94,957.97	97,806.71	100,740.91	103,763.13	106,876.03
714	- 785	16	89,431.06	92,113.99	94,877.41	97,723.73	100,655.44	103,675.11	106,785.36	109,988.92	113,288.59
786	- 861	17	94,796.92	97,640.83	100,570.05	103,587.16	106,694.77	109,895.61	113,192.48	116,588.26	120,085.90
862	- 941	18	100,484.74	103,499.28	106,604.26	109,802.39	113,096.46	116,489.35	119,984.03	123,583.55	127,291.06

	Hourly - Step								
Grade	1	2	3	4	5	6	7	8	9
1	17.94	18.48	19.03	19.60	20.19	20.80	21.42	22.06	22.73
2	19.02	19.59	20.18	20.78	21.40	22.05	22.71	23.39	24.09
3	20.16	20.76	21.39	22.03	22.69	23.37	24.07	24.79	25.54
4	21.37	22.01	22.67	23.35	24.05	24.77	25.51	26.28	27.07
5	22.65	23.33	24.03	24.75	25.49	26.26	27.04	27.86	28.69
6	24.01	24.73	25.47	26.23	27.02	27.83	28.67	29.53	30.41
7	25.45	26.21	27.00	27.81	28.64	29.50	30.39	31.30	32.24
8	26.98	27.79	28.62	29.48	30.36	31.27	32.21	33.18	34.17
9	28.59	29.45	30.34	31.25	32.18	33.15	34.14	35.17	36.22
10	30.31	31.22	32.16	33.12	34.11	35.14	36.19	37.28	38.40
11	32.13	33.09	34.09	35.11	36.16	37.25	38.36	39.51	40.70
12	34.06	35.08	36.13	37.21	38.33	39.48	40.67	41.89	43.14
13	36.10	37.18	38.30	39.45	40.63	41.85	43.11	44.40	45.73
14	38.27	39.41	40.60	41.81	43.07	44.36	45.69	47.06	48.47
15	40.56	41.78	43.03	44.32	45.65	47.02	48.43	49.89	51.38
16	43.00	44.29	45.61	46.98	48.39	49.84	51.34	52.88	54.47
17	45.58	46.94	48.35	49.80	51.30	52.83	54.42	56.05	57.73
18	48.31	49.76	51.25	52.79	54.37	56.00	57.68	59.42	61.20

Appendix III Position Grade Assignments**

Points	Department	Title	Proposed			
			Grade	1	5	9
97.5	Administration	Administrative Assistant	3	41,928.77	47,191.20	53,114.11
170	Public Works	Public Works Maintenance Worker	5	47,111.17	53,024.03	59,679.02
262.5	Police	Office Manager - Police	7	52,934.11	59,577.80	67,055.34
270	Administration	Accountant	8	56,110.15	63,152.47	71,078.66
355	Administration	City Planner	9	59,476.76	66,941.62	75,343.38
295	Police	Police Officer	9	59,476.76	66,941.62	75,343.38
315	Administration	City Clerk	9	59,476.76	66,941.62	75,343.38
530	Public Works	Public Works Director	13	75,088.04	84,512.25	95,119.28
665	Police	Police Chief	15	84,368.92	94,957.97	106,876.03
735	Administration	City Administrator	17	94,796.92	106,694.77	120,085.90

** All other positions are less than 14 hours per week on average; not subject to Pay Equity.

Appendix IV Fringe Benefit Comparison

		<u>Least Reported</u>	<u>Most Reported</u>	<u>Average Reported</u>	<u>Osseo, MN</u>
1	1a	Holidays (Days/Year)	9	12	11
	1b	Floating Holidays	No (0)	Yes (3)	Yes
		If yes, how many?	1.00	2.00	1
	1c	Holiday on Regular Days Off	Other (0)	Fri-Mon (2)	Fri-Mon
	1d	Comp on Holidays Worked		T&½ (1)	
		Time and a ½	T&½ (1)	1	T&½ (1)
		Double Time	Dbl (0)	0	
		Double Time and a ½	DT&½ (0)	0	
	1e	Other	Other (0)	0	
2		Annual Leave (Days/Year)			
	2a	<i>Vacation/Sick or PTO</i>	PTO (3)	Vac-Sick (6)	Vac-Sick
	2b	<i>Vacation - DAYS</i>			
		6 months	10	10	10
		1 year	10	10	10
		2 years	10	10	10
		3 years	10	10	10
		4 years	10	15	11
		5 years	10	16	12
		6 years	15	17	15
		7 years	15	18	16
		8 years	15	19	16
		9 years	15	20	16
		10 years	15	21	16
		11 years	15	22	18
		12 years	15	23	18
		13 years	15	24	19
		14 years	15	25	19
		15 years	15	25	20
		16 years	18	25	22
		17 years	19	25	22
		18 years	19	25	22
		19 years	20	25	22
		20 years	20	25	23
		20+ years	20	25	23
	2b	<i>PTO - DAYS</i>			
		6 months	13	20	16
		1 year	13	20	16
		2 years	16	23	20
		3 years	16	23	20
		4 years	16	26	21
		5 years	21	26	23
		6 years	22	26	25
		7 years	23	26	25
		8 years	24	29	26
		9 years	25	29	27
		10 years	26	29	27
		11 years	27	29	28
		12 years	28	33	30
		13 years	29	33	31
		14 years	30	33	31
		15 years	31	33	32
		16 years	31	36	33
		17 years	31	36	33
		18 years	31	36	33
		19 years	31	36	33
		20 years	31	39	34
		20+ years	31	39	34
	2c	Carried into Next Year	400	520	460
	2d	Max Accumulation	400	720	560
	2e	Comp after Max Accumulation	Yes (0)	No (2)	No
	2f	If yes, explain			



Appendix IV Fringe Benefit Comparison

			<u>Least Reported</u>	<u>Most Reported</u>	<u>Average Reported</u>	<u>Osseo, MN</u>
3	3a	Sick Leave (Days/Year)	12	12	12	
	3b	Carried into Next Year	-	-	---	
	3c	Max. Accumulation	800	1,200	967	
	3d	Paid at Termination/Retirement	No (0)	Yes (2)	Yes	
	3e	Sick Leave Bank	Yes/No (0/0)	Yes/No (0/0)		
4		Pension and Retirement				
	4a	Other Than Social Security	No (0)	Yes (6)	Yes	
	4b	State Sponsored	No (0)	Yes (6)	Yes	
	4c	Employer Paid	7.5%	7.5%	7.5%	
	4d	Employee Paid	6.5%	6.5%	6.5%	
	4e	Death Benefit	Yes/No (0/0)	Yes/No (0/0)		
5		Life & Disability Insurance				
	5a	Life Insurance	No (0)	Yes (12)	Yes	Yes
		Employer Paid	100%	100%	100%	100%
	5b	AD&D	No (0)	Yes (5)	Yes	
		AD&D Double Indemnity	Yes/No (0/0)	Yes/No (0/0)		
		Employer Paid	100%	100%	100%	
	5c	Short Term Disability	No (0)	Yes (6)	Yes	
		Employer Paid	0%	100%	60%	
	5d	Long Term Disability	No (0)	Yes (10)	Yes	
		Employer Paid	0%	100%	83%	
6	6a	Health Insurance	No (0)	Yes (13)	Yes	Yes
	6b	Different Types of Coverage?	No (1)	Yes (10)	Yes	
	6c	100% FTE participation required	Yes (0)	No (2)	No	
	6d	Not participating	Yes/No (0/0)	Yes/No (0/0)		
		<u>HEALTH INSURANCE TYPE 1 - PPO</u>				
	6e	Employee Only	\$ 558.66	\$ 935.00	\$ 706.59	\$ 1,215.00
		Employer Paid	99%	100%	100%	Varies
		Employee Paid	0%	1%	0%	Varies
		Max out of pocket	N/A	\$ 3,300.00	\$ 3,150.00	
		Standard Office Visit Co-pay	\$ 30.00	\$ 30.00	30	
	6f	Employee/Spouse	\$ 1,302.50	\$ 1,962.50	\$ 1,687.19	\$ 1,215.00
		Employer Paid	63%	100%	73%	Varies
		Employee Paid	0%	37%	27%	Varies
		Max out of pocket	N/A	\$ 6,600.00	\$ 6,600.00	
		Standard Office Visit Co-pay	\$ -	\$ -	---	
	6g	Employee/Child	\$ 1,120.49	\$ 1,946.87	\$ 1,533.21	\$ 1,215.00
		Employer Paid	63%	100%	74%	Varies
		Employee Paid	0%	37%	26%	Varies
		Max out of pocket	N/A	\$ 6,600.00	\$ 6,600.00	
		Standard Office Visit Co-pay	\$ -	\$ -	---	
	6h	Employee/Family	\$ 1,413.99	\$ 2,377.86	\$ 1,889.92	\$ 1,215.00
		Employer Paid	42%	100%	65%	Varies
		Employee Paid	0%	58%	35%	Varies
		Max out of pocket	N/A	\$ 6,600.00	\$ 6,300.00	
		Standard Office Visit Co-pay	\$ 30.00	\$ 30.00	30	

Appendix IV Fringe Benefit Comparison

			<u>Least Reported</u>	<u>Most Reported</u>	<u>Average Reported</u>	<u>Osseo, MN</u>
		<u>HEALTH INSURANCE TYPE 2 - HDHP</u>				
6i	Employee Only		\$ 483.50	\$ 1,005.00	\$ 624.63	
	Employer Paid		100%	100%	100%	
	Employee Paid		0%	0%	0%	
	Annual Deductible		\$ 1,500.00	\$ 3,600.00	\$ 2,433.33	
	Annual Maximum Out-of-Pocket		N/A	\$ 3,000.00	\$ 3,000.00	
6j	Employee/Spouse		\$ 1,132.00	\$ 1,702.87	\$ 1,377.60	
	Employer Paid		72%	100%	90%	
	Employee Paid		0%	28%	10%	
	Annual Deductible		\$ 3,000.00	\$ 7,000.00	\$ 4,485.71	
	Annual Maximum Out-of-Pocket		N/A	\$ 6,000.00	\$ 6,000.00	
6k	Employee/Child		\$ 1,078.00	\$ 1,702.87	\$ 1,258.00	
	Employer Paid		72%	100%	92%	
	Employee Paid		0%	28%	8%	
	Annual Deductible		\$ 3,000.00	\$ 7,000.00	\$ 4,485.71	
	Annual Maximum Out-of-Pocket		N/A	\$ 6,000.00	\$ 6,000.00	
6l	Employee/Family		\$ 1,038.73	\$ 1,799.56	\$ 1,524.73	
	Employer Paid		35%	100%	77%	
	Employee Paid		0%	65%	23%	
	Annual Deductible		\$ 3,000.00	\$ 7,200.00	\$ 4,825.00	
	Annual Maximum Out-of-Pocket		N/A	\$ 6,000.00	\$ 6,000.00	
6m	Supplemental program for HDHP?		No (0)	Yes (4)	Yes	
6n	Type of Program					
6o	Employer Paid		100%	100%	100%	
6p	Retirees		Yes/No (0/0)	Yes/No (0/0)		
	Employer Paid		0%	0%	---	
6q	Dental Insurance		No (0)	Yes (14)	Yes	Yes
	Part of Health Plan		Yes/No (0/0)	Yes/No (0/0)		
	Employee Only		\$ 27.00	\$ 46.85	\$ 41.48	\$ 40.26
	Employer Paid		0%	100%	39%	
	Employee/Family		\$ 102.00	\$ 133.00	\$ 118.96	
	Employer Paid		0%	72%	19%	
6r	Vision Insurance		No (0)	Yes (1)	Yes	
	Part of Health Plan		Yes/No (0/0)	Yes/No (0/0)		
	Employee Only		Yes/No (0/0)	Yes/No (0/0)		
	Employer Paid		0%	0%	0%	
	Employee/Family		\$ 18.27	\$ 18.27	\$ 18.27	
	Employer Paid		0%	0%	0%	
7	7a Deferred Compensation		No (0)	Yes (9)	Yes	
	7b Available to all Employees		Yes/No (1/1)	Yes/No (1/1)		
	7c Type of Plan					
	7d Employer Contribution		Yes (0)	No (2)	No	
	If yes, explain.					
8	Other Benefits Program					
8a	Other Benefits		No (0)	Yes (1)	Yes	
8b	Post Retirement Hlth Care Svcs		Yes/No (0/0)	Yes/No (0/0)		
8c	Call Back Pay		Yes/No (0/0)	Yes/No (0/0)		
8d	On Call/Stand By Pay		Yes/No (0/0)	Yes/No (0/0)		
8e	Clothing Allowance		Yes/No (0/0)	Yes/No (0/0)		
9	Mgr/Administrator Compensation					
9a	Included in Pay Plan		Yes/No (0/0)	Yes/No (0/0)		
9b	Car or Vehicle Allowance		Yes/No (0/0)	Yes/No (0/0)		
9c	Accrues Leave Differently		Yes/No (0/0)	Yes/No (0/0)		
9d	Retirement Plan Differ		Yes/No (0/0)	Yes/No (0/0)		
9e	Additional Benefits		Yes/No (0/0)	Yes/No (0/0)		

