

**MEETING DATE:** December 20, 2018

**TITLE:** Acceptance of 2018 Classification and Compensation Study Results; and Adoption of MCWD Pay Structure

**RES. NUMBER:** 18-126

**PREPARED BY:** James Wisker

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**REVIEWED BY:**     Administrator     Counsel     Program Mgr.     Board Committee  
                          Engineer             Other

**WORKSHOP ACTION:**

<input type="checkbox"/> Advance to Board mtg. Consent Agenda.	<input type="checkbox"/> Advance to Board meeting for discussion prior to action.
<input type="checkbox"/> Refer to a future workshop (date):_____	<input type="checkbox"/> Refer to taskforce or committee (date):_____
<input type="checkbox"/> Return to staff for additional work.	<input type="checkbox"/> No further action requested.
<input checked="" type="checkbox"/> Other (specify): <b><u>Final Action on December 20, 2018</u></b>	

**ACTION REQUESTED:**

The Board of Managers is requested to take the following actions:

- Accept the results and findings of the 2018 Classification and Compensation Study
- Adopt the proposed MCWD Pay Structure

**BACKGROUND:**

On October 8, 2015 the Board of Managers approved a strategic planning process to evaluate and align MCWD programs (Resolution 15-005). This planning process:

- Defined and aligned the purpose of programs around the revised mission and goals
- Prioritized initiatives within programs
- Prioritized programmatic initiatives across the organization
- Prioritized and allocated resources within and across programs

At the conclusion of that process, on February 9, 2017, the Board of Managers approved a Strategic Alignment Plan (Resolution 17-007), and provided direction to the Administrator to incorporate and implement the realigned organizational priorities into the District's:

- Watershed Management Plan
- Budget and Financial Plans
- Information Technology Plans
- Human Resource Plans

Prior to the conclusion of the Strategic Alignment Plan, on November 17, 2016 the Board of Managers authorized a contract with Springsted Inc., to assist MCWD in realigning its human resources around its strategic priorities (Resolution 16-082). Goals of this planning effort included ensuring that the right people, in

the right amount, with the right skills, are in the right place, at the right time, to deliver on the organizational priorities established through the 2017 Strategic Alignment Plan.

On August 24, 2017 the Board of Managers approved a Human Resources Plan that included a revised organizational chart to restructure MCWD's personnel to support the 2017 Strategic Alignment Plan.

On January 11, 2018 staff outlined a plan for implementing the proposed organizational restructure, and provided a roadmap for complementary and ongoing HR development including:

- Restructure organization
  - Realign departments and personnel around strategic priorities
- Implement a classification and compensation structure
  - Develop clear plan and supporting policy for what MCWD pays, how and why
- Internal framework for clear expectations, accountability and professional development
  - Ensure consistent and high expectations and accountability
  - Develop clarity of proficiency and professional development requirements for each department and position

#### **CLASSIFICATION AND COMPENSATION STUDY:**

On February 9, 2018, the Board of Managers authorized a second contract with Springsted Inc., to assist the District in implementing the organizational restructure, focused on appropriately classifying MCWD's positions and determining a market competitive pay structure (Resolution 18-011).

#### Scope of Work:

Springsted's work was to:

- Understand the goals of the adopted organizational chart and the positions within it
- Review job descriptions drafted by MCWD
- Systematically classify MCWD positions using the SAFE® method
- Complete a compensation survey evaluating MCWD positions against the market
- Recommend a revised classification and compensation structure for MCWD's restructure

#### Goals:

MCWD's goals for its new classification and compensation structure include:

- Support the recruitment and retention of talent necessary to achieve MCWD's mission
- Being competitive with the regional market
- Reflect MCWD's unique strategic priorities
- Provide internal equity through consistent evaluation of positions and pay
- Reward employees on the basis of mission driven performance
- Maintain a plan that is clear and easy to communicate
- Comply with all laws and regulations

#### Process:

The process for completing the Classification and Compensation Study included:

- MCWD Administrator drafting and review of position descriptions with staff
  - Aligned with organizational chart, based on new strategic priorities
- Preliminary evaluation of position classification by MCWD using SAFE®
- Independent evaluation of position classification by Springsted using SAFE®

- Obtaining market data for comparable positions from benchmark organizations
- Aggregating and using market data to validate and correct SAFE analysis
- Review by MCWD Administrator, Leadership Team, Operations Manager, Springsted
- Review by MCWD Administrator, Board Liaisons, Springsted
- Final draft classification and pay structure development by Springsted
- Review on December 13, 2018 by Operations and Programs Committee

### Results:

The results/deliverables from the Classification and Compensation Study include:

- MCWD position classification based on SAFE®
- Proposed MCWD Pay Structure
- Executive summary of market comparison of MCWD benefits

### Components of the SAFE® Job Evaluation System:

The Systematic Analysis and Factor Evaluation (SAFE®) System ensures a consistent and equitable method of evaluating jobs. The basis for the system is an arrangement of job groupings predicated on characteristics of work. A series of job factors are then applied to the work characteristics in order to determine a numerical value for each position.

The system ensures that each element of job responsibility and each work characteristic is given proper consideration. The total of the points assigned represents the rank of the position in relation to all other positions within the organization.

### *Characteristics of Work:*

Characteristics of work can be defined as the general character of the scope of the work performed by a position or a class of positions that distinguishes it from other positions. There are sixteen work characteristics – manual, semiskilled, skilled trades, technical, skilled technical, advanced technical, human support, skilled human support, advanced human support, protective services, advanced protective services, administrative support, skilled administrative support, administrative, professional, executive. The work characteristics are grouped into six skill levels. The skill levels are then used in conjunction with job factors to determine the value of a position as it relates to other positions within the organization.

### *Job Factors:*

There are nine job factors which detail components of work that are present in most job classes. These factors are:

**Training and Ability:** includes education and specialized training, licenses, certifications, and registrations which are required of the position.

**Experience:** the time usually required for a person with the required training and ability to develop the necessary skills and abilities to perform the job.

**Level of Work:** distinguishes between entry level, intermediate level, advanced/supervisory, or a mastery/managerial level of the type of work performed.

**Human Relations:** the responsibility of working with or through other people, and the extent, frequency, and purpose of the contacts.

**Physical Demands:** the job requirements which induce physical fatigue through exertion or strain.

**Working Conditions:** the extent of disagreeable or hazardous environmental or physical conditions or mental effort and/or stress and the frequency of the undesirable conditions.

**Independence:** how much freedom or independence is allowed or required of the position.

**End Impact:** the extent to which the job directly influences and affects actions impacting the end results, i.e. how much do the decisions or actions of the employee impact the organization.

**Supervision:** the responsibility for oversight or supervision over other employees.

#### Benchmark Organizations:

The following benchmark organizations were used by Springsted to match MCWD positions, based on content (essential functions and minimum qualifications), with market comparable positions: Bloomington, Carver County, Edina, Hennepin County, Mississippi WMO, State of MN, Scott County, St. Louis Park, Three Rivers Park District, Private Sector.

#### Pay Structure:

Attachment A outlines the pay structure proposed by Springsted, based on a statistical analysis of market data for comparable positions from the aforementioned benchmark organizations which was then used to validate the SAFE® classification.

Two positions within this structure are labeled with an asterisk, the Policy Planning Manager and the Operations Manager. These positions are recommended to be placed to better reflect MCWD's mission driven strategic priorities, size and organizational structure, rather than only reflect market data. Market driven placement would have these position's placement flipped.

Discussion through the analysis process (staff vetting with Springsted, discussion with the District's HR Liaisons, and the December 13, Operations and Programs Committee) outlined the rationale for these placements. Principally, capital project implementation and policy development are the MCWD's two top strategic priorities. Per the 2017 Strategic Alignment Plan, all other program functions at MCWD serve in support of those priorities.

The Policy Planning Manager will work closely with the Administrator to evaluate and maintain internal strategic alignment, develop directional budget priorities, manage the District's "responsive program" to evaluate threats and opportunities and recommend resource distribution to communities, and oversee MCWD's policy programs. Market comparables undervalued this position with respect to organizational significance this position plays within MCWD's organizational structure.

Conversely, market comparables for the Operations Manager position overestimate the end impact this position has within the organizational structure of MCWD. Matches included positions for larger, more complex public sector organizations that inherently place significantly more span of control under operations positions than does MCWD based on its size, mission driven strategic priorities, and organizational structure.

Based on these unique differences between the market and MCWD's strategic priorities, it is recommended that the Board of Managers place these positions as outlined in the proposed pay structure.

#### Benefit Comparison:

Attachment B provides an executive summary of MCWD's benefits compared to benchmark organization's surveyed. Benefits evaluated included (leave, health, dental, life insurance).

MCWD renews its health benefits annually in May-June. The MCWD Board intends to further evaluate its current health benefits in 2019 against the market, and determine a long-range position on employee health benefits that is market competitive, fiscally responsible and supports the District's overarching goals of remaining competitive in the regional talent market to be able to recruit and retain the personnel it needs to accomplish its mission.

**ATTACHMENTS:**

1. Attachment A - Draft pay structure
2. Attachment B - Executive summary of benefit survey

## RESOLUTION

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**RESOLUTION NUMBER:** 18-126

**TITLE:** **Acceptance of 2018 Classification and Compensation Study Results; and Adoption of MCWD Pay Structure**

WHEREAS, on October 8, 2015 the MCWD Board of Managers approved a strategic planning process to evaluate and align MCWD programs (Resolution 15-005); and

WHEREAS, at the conclusion of that planning process, on February 9, 2017 the MCWD Board of Managers approved a Strategic Alignment Plan (Resolution 17-007), and directed the Administrator to incorporate and implement the realigned organizational priorities into the District's operational structures through the development of a human resources (HR) plan; and

WHEREAS, to advance this directive, on November 17, 2016 the MCWD Board of Managers authorized a contract with Springsted Inc., to restructure and align the District's human resources around its strategic priorities (Resolution 16-082); and

WHEREAS, as a result of that human resource planning effort, on August 24, 2017 the MCWD Board of Managers approved a Human Resources Plan which included a revised organizational chart; and

WHEREAS, on January 11, 2018 District staff outlined a plan for implementing the adopted organizational restructure, and provided a roadmap for complementary and ongoing human resource development, including developing a classification and compensation structure; and

WHEREAS, on February 9, 2018 the MCWD Board of Managers authorized a contract with Springsted Inc., to assist the District in implementing the organizational restructure, focused on appropriately classifying MCWD's positions, and determining a market competitive pay structure that accomplishes the following goals (Resolution 18-011); and

- Support the recruitment and retention of talent necessary to achieve MCWD's mission
- Provide compensation that is competitive with the regional market
- Reflect MCWD's unique strategic priorities
- Provide internal equity through consistent evaluation of positions and pay
- Reward employees on the basis of mission driven performance
- Maintain a pay plan that is clear and easy to communicate
- Comply with all laws and regulations;

WHEREAS, Springsted Inc. has worked with District staff and the MCWD's HR Liaisons to:

- Understand the goals of the organizational restructure, and the positions within it
- Review job descriptions drafted by MCWD
- Systematically classify MCWD positions using the SAFE® method
- Complete a compensation survey, evaluating MCWD positions against the market
- Recommend a classification and compensation framework to support MCWD's restructure;

WHEREAS, the results of this study were presented on December 13, 2018 to the MCWD Operations and Programs Committee; and

WHEREAS, the MCWD Board of Managers finds that the classification and compensation results are the product of a robust, objective, market based process, and that the results support the District's human resource plan goals;

NOW, THEREFORE, BE IT RESOLVED that the MCWD Board of Managers hereby accepts the classification and compensation study findings; and

BE IT FURTHER RESOLVED that the MCWD Board of Managers hereby adopts the pay structure identified in Attachment A.

Resolution Number 18-126 was moved by Manager \_\_\_\_\_, seconded by Manager \_\_\_\_\_.

Motion to adopt the resolution \_\_\_ ayes, \_\_\_ nays, \_\_\_ abstentions.

Date: December 20, 2018

Date: December 20, 2018

\_\_\_\_\_  
Secretary

## DRAFT MCWD PAY STRUCTURE

Title	Grade	Min	Mid	Max
District Administrator	21	96,106.84	115,328.21	134,549.57
Project Planning Manager	19	83,943.43	100,732.12	117,520.81
Policy Planning Manager *	18	78,451.81	94,142.17	109,832.53
Research and Monitoring Program Manager	17	73,319.45	87,983.34	102,647.23
Communications and Education Manager	17	73,319.45	87,983.34	102,647.23
Operations Manager *	17	73,319.45	87,983.34	102,647.23
Permitting Program Manager	17	73,319.45	87,983.34	102,647.23
Project and Land Manager	17	73,319.45	87,983.34	102,647.23
Planner-Project Manager	16	68,522.85	82,227.42	95,931.99
Aquatic Ecologist	15	64,040.04	76,848.05	89,656.06
Policy and Grants Coordinator	14	59,850.51	71,820.61	83,790.71
Project and Land Management Technician	13	55,935.05	67,122.07	78,309.08
Permitting Technician	12	52,275.75	62,730.90	73,186.05
Research and Monitoring Coordinator	12	52,275.75	62,730.90	73,186.05
Education and Engagement Coordinator	12	52,275.75	62,730.90	73,186.05
Operations Coordinator	11	48,855.84	58,627.01	68,398.18
Research and Monitoring Technician	11	48,855.84	58,627.01	68,398.18
Communications Coordinator	11	48,855.84	58,627.01	68,398.18
GIS Technician	11	48,855.84	58,627.01	68,398.18
Accounting Clerk	9	42,672.59	51,207.10	59,741.62
Permitting Assistant	9	42,672.59	51,207.10	59,741.62
Research and Monitoring Field Assistant	8	39,880.92	47,857.11	55,833.29
Administrative Assistant	8	39,880.92	47,857.11	55,833.29

\* Grade placement determined by District policy decision/administrative direction



### Executive Summary of Benefit Survey

As part of the MCWD's 2018 Classification and Compensation Study, a survey was distributed to benchmark organizations regarding employee benefits. That information is provided in an executive summary form below. This information will be used by the Board of Managers to determine the District's position regarding employee benefits. Health benefits are renewed annually in May.

#### Leave Summary:

##### *Number of Holidays per year*

MCWD: 11

Average: 11

Low: 10

High: 12

##### *Leave Days - Max Accumulation*

MCWD: 30 days

Average: 52.79 days

Low: 30 days

High: Unlimited

##### *Leave Day - Compensated for leave lost after max accrual*

MCWD: Yes (convert to 457b or HSA)

Average: No

Low: 8 No responses

High: 1 Yes response

##### *Sick Leave – Accrual per year*

MCWD: 9 days

Average: 12 days

Low: 12 days

High: 13 days

##### *Sick Leave – Max Accrual*

MCWD: 90 days

Average: 125

Low: 125

High: Unlimited

##### *Sick Leave – Paid at Termination*

MCWD: Yes (percentage based)

Average: Yes

Low: 1 No response

High: 5 Yes responses

#### Life/Disability Insurance:

MCWD: \$522

Average Market: \$314

*Life Insurance – % Employer Paid*

MCWD: 100%  
Average: 100%  
Low: 100%  
High: 100%

*AD&D -% Employer Paid*

MCWD: 100%  
Average: 57%  
Low: 0%  
High: 100%

*Short Term Disability - % Employer Paid*

MCWD: 100%  
Average: 33%  
Low: 0%  
High: 100%

*Long Term Disability - % Employer Paid*

MCWD: 100%  
Average: 89%  
Low: 0%  
High: 100%

Health Insurance Summary:

*MCWD Health Insurance Plan Overview*

- Employees have one option for Health Insurance
- The plan is a high deductible plan
  - Single Deductible: \$2,000
  - Family Deductible: \$4000
- Premiums are age bracketed and are paid per person on the plan (up to 3 children)
- Employee funded HSA offered
- Employer funded HRA offered (\$650 Single / \$1300 Family)

*Average Annual Health Insurance Cost per FTE*

MCWD: \$10,796  
Average Market: \$12,963

*Health Insurance -% Employer Paid –Employee Only (LDP / HDP)*

MCWD: 100%  
Average: 93% / 96%  
Low: 80% / 89%  
High: 100% / 100%

*Health Insurance - % Employer Paid Employee/Spouse (LDP / HDP)*

MCWD: 100%  
Average: 80% / 85%  
Low: 62% / 74%  
High: 100% / 100%

*Health Insurance - % Employer Paid Employee/Family (LDP / HDP)*

MCWD: 100%

Average: 75% / 82%

Low: 65% / 75%

High: 85% / 100%

*Health Insurance – Supplemental Program for HDP*

MCWD: Yes (HSA/HRA) HRA 100% employer funded

Responses: 4 HRA/VEBA/HSA

5 None

Dental Insurance Summary:

*Average Annual Dental Insurance Cost per FTE*

MCWD: \$828

Average Market: \$539

*Dental Insurance - % Employer Paid Employee Only*

MCWD: 100%

Average: 81%

Low: 40%

High: 100%

*Dental Insurance - % Employer Paid Employee/Family*

MCWD: 100%

Average: 0%

Low: 0%

High: 0%