



Request for City Council Committee Action from the Department of Human Resources

Date: 5/16/07

To: Executive Committee

Referral to: Ways & Means/Budget Committee

Subject: Authorization for Starting Salary Approval

Recommendation: In order to streamline the administration of this process, and to relieve the governing board from having to administer a process that could be more effectively managed at the department level, the following is recommended:

1. The City Council revise the Appointed Employee Salary Administration Plan and the Compensation Administration for Classified Employees, to provide city Department Heads with the authority to approve extraordinary salary requests **up to Step "C" or Step 3**, respectively.
2. The City Council revise the Appointed Employee Salary Administration Plan and the Compensation Administration for Classified employees, to provide the Human Resources Director with the authority to approve extraordinary salary requests **above Step "C" or Step 3**, respectively, **excepting those for charter department heads**.
3. It is further recommended that the City Council direct the Human Resources Department to continue its practice of requiring documentation of exceptional requests and keeping this in a central location in the Human Resources Department.

Prepared by: Pam French, Human Resources Director

Approved by: _____
Pam French, HR Director

Steven Bosacker, City Coordinator

Presenters in Committee: Pam French, Human Resources Director

Financial Impact

- No financial impact

Supporting Information

In 1989, the City Council approved a policy giving the Human Resources Department administrative authority to approve extraordinary salary step requests for classified employees. It states, in part, “Starting rates for new hires at other than the beginning step with verification of previous experience in public or private sector warrant special consideration.”

Salary schedules for classified employees are generally established with seven annual step increases. Newly hired employees are hired at the first step, unless the department requests a higher starting salary. The Human Resources Director, or his/her designee, will grant starting salaries as high as Step Three, if provided with sufficient documentation to warrant the exceptional salary. Department Heads requesting exceptional starting salaries address such issues as the following in their requests:

1. Previous recent years of very similar work experience.
2. Previous accomplishments in the same areas of responsibilities as the new job.
3. Recent relevant educational accomplishments exceeding the job requirements.
4. Difficulty in filling the position because of unique skill requirements.
5. Current salary of candidate, if performing a very similar job.
6. Department’s capacity to pay for the increased starting salary.

In 1995, the City Council adopted the Appointed Employee Salary Administration Plan. This plan provided a standardized approach to appointed employee compensation that considers the relevant labor market, the internal value of the job, and provides for merit-based pay. The salary plan provides four salary steps for each position. The first step, or the “start rate,” pays at 95 percent of the job rate. The job rate is based on market surveys and our internal classification system formula for computing point to pay. The second step, typically granted after one year of service, pays at 100 percent of the job rate. The third step, typically granted after three years of service, pays at 103 percent of the job rate. The fourth step, typically granted after the sixth year of service, pays at 105 percent of the job rate.

In November 2002, the Minneapolis City Council revised the Appointed Employee Salary Administration Plan to be consistent with the 1989 policy granting the Human Resources Department administrative authority to approve extraordinary salary adjustment for appointed personnel. To implement this change, the Human Resources Department created a process for appointed hires that is the same as for classified personnel, and requires the hiring authority to complete a form which addresses the six criteria first established in 1989.

This information is centrally filed in Human Resources