

City of Minneapolis Interoffice Memorandum

To: Mayor Rybak & Members of the Executive Committee
From: Patrick P. Born, CFO
Subject: Compensation Analysis Report
Date: March 7, 2007
CC: City Council Members

The attached Compensation Analysis report responds to the Executive Committee's August 2006 direction to the Finance and Human Resources departments "to perform a compensation analysis with relevant job markets with which we compete for employees." This report provides supplemental detail to the presentation at the February 16 Council Study Session and is meant to inform the compensation philosophy project.

How to use this report:

Background Information	This section of the report provides information about employee characteristics, outlines the components of compensation, and discusses aspects of human resource management.
Financial Pressures, Budgeting, and the Economy	This section of the report discusses financial pressures the City has faced – the reason for the 2% wage policy, the City's and resident's of the City abilities to pay for compensation, the budget process and the costing of labor contracts, as well as economic and market factors.
Findings	This section of the report outlines the methodology used in the analysis, important information about using survey data, and the resulting wage and benefit findings.
Report Overview and Factors to Consider	This overview sums up the findings of the analysis, and provides some additional factors to bear in mind.
Appendix	The appendix contains detailed survey information, examples of State and Federal laws the City must comply with, a chart of benefits the City provides, a glossary of compensation terms, references, and additional supportive data.
Compilation of Job Title Survey Results	This table outlines all of the survey data collected for this analysis and displays it by job title. Additional due diligence needs to occur to complete the analysis of individual job titles.

As we discussed in February, survey data may have limited validity in drawing conclusions. Although a number of precautions were taken to limit outliers in the data, the individual position data in the appendix of the report should be considered a starting point for further analysis, rather than a specific indicator of where specific positions are in the marketplace.

Because the content of this report was discussed in the study session, we have not planned another presentation to the Executive Committee. However, if you have additional questions, we would be happy to meet with you individually or return to the committee in the future to answer questions.