



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

Date: March 22, 2006

To: Executive Committee
Referral to: Ways & Means/Budget Committee

Prepared by: Pamela French

Approved by _____
Pamela French
HR Director

Steven Bosacker
City Coordinator

Subject: Salary for Director Employee Services

Financial Impact (Check those that apply)

No financial impact or Action is within current budget.

Action requires an appropriation increase to the Capital Budget

Action requires an appropriation increase to the Operating Budget

Action provides increased revenue for appropriation increase

Action requires use of contingency or reserves

Other financial impact (Explain):

Request provided to the Budget Office when provided to the
Committee Coordinator

Background/Supporting Information -

On December 23, 1999, the Minneapolis City Council approved an exceptional pay increase for Mr. Giles, utilizing language from Minnesota State Statute 43A.17 (subd. 3b) which applies to state employees. The language of the statute

states that in unusual employment situations, "if the commissioner determines that a position requires special expertise necessitating a higher salary to attract or retain qualified persons, the commissioner may grant an exemption not to exceed 120 percent of the salary of the head of the agency or the maximum rate established for the position, whichever is less."

The Minneapolis City Council applied this formula when approving an exceptional pay increase for Mr. Giles in order to retain his employment with the City of Minneapolis.

In February 2006, Mr. Giles was being recruited to be the Director of Human Resources for the Minneapolis School Board. Their preliminary offer greatly exceeded his current salary. Mr. Giles now earns \$117,453, which is the result of an exceptional pay increase approved by the Minneapolis City Council in 1999.

Summary of Accomplishments:

Timothy Giles has been the Director of Employee Services in May 1997. Since that time, he has successfully negotiated numerous critical collective bargaining agreements, won critical arbitrations (most recently with the Firefighter's Association), and played a key role in redesigning and negotiating significant changes to the city's healthcare plans, which resulted in cost-avoidance and savings to the city and its employees in excess of \$8 million.

Additionally, Mr. Giles has proven to be a culture-changing consultant to the entire city organization. His efforts have resulted in changes to the way every department does its every-day work. Interest-based collective bargaining is now a well understood process and has sprung new Labor Management Committees (LMC's) throughout the City of Minneapolis. The LMC's increase employee involvement in problem solving, and result in better labor-management relations. The Public Works Department enjoys more workforce flexibility and simplified salary administration processes. Mr. Giles value to the organization is recognizable across all levels of each department in the City of Minneapolis.

Salary Market Information

I recently requested updated salary information from Employers Association, Inc. for human resources jobs equivalent in scope and complexity to the Director, Employee Services. Similar to the survey they completed in 1999, there continues to be a limited number of comparable jobs in the public sector metropolitan areas. The function is often outsourced in part or entirety to consultants. In addition, Mr. Giles has other responsibilities under his area that are not comparable to other jurisdictions (e.g., compensation, classifications and complaint investigations). That said, the average total cash compensation for someone holding the position of Director, Labor Relations alone has increased from \$117,000 in 1999 to \$138,000 in 2006.

The 1995 Appointed Employee Compensation Plan gave the Council the authority to make such “exceptions because the market for the positions was so high that sufficiently qualified candidate’s could not be attracted or retained by the Minneapolis rate.” This is such a situation.

Recommendation:

To increase the annual salary for Mr. Timothy Giles to 120 percent of the salary of the Human Resources Director, bringing his annual salary to \$135,349, in order to retain his employment with the City of Minneapolis.