

City of Bloomington Classification & Compensation Consulting

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Project Summary

Draft as of November 21, 2023



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Executive Summary

In January 2023, the City of Bloomington (City) contracted with Crowe LLP (Crowe) to support development of a strategy related to workforce classification and compensation. Among other supporting activities (as detailed in this presentation), Crowe conducted a market compensation analysis to obtain data and make recommendations related to compensating a subset of City positions. The scope of this market analysis included 257 non-union, Civil positions at the City. The scope of this engagement included base compensation only; it did not include an assessment of benefits, hazard pay, bonuses, and other types of compensation other than base pay.


Market results suggest that some City positions may be undercompensated while others may be overcompensated relative to the market, depending on the specific position. Variances between the City's current pay range midpoints and market averages range from 28% behind the market to 10% above the market, again depending on the specific position. In addition, market analysis found that jobs categorized for analytical purposes as Information Technology (IT) and Engineering-related jobs are compensated between 1.3% and 6.2% more on average than other City jobs at the same grade level.

Based on results of the market analysis and in collaboration with the City, Crowe developed two new recommended pay schedules: a) an updated Citywide Pay Schedule (Schedule A) with recommended pay ranges for 17 pay grades, and b) a proposed Premium Pay Schedule (Schedule B), which reflects a 6.2% pay differential for grades 5-14. Where warranted for specific positions, the City may decide to use Schedule B to offer higher compensation for positions particularly challenged by recruitment and retention issues.

Crowe provided additional recommendations based on analyses throughout the study, including an approach the City may take to implement updated pay ranges and an updated classification structure. Analysis also highlighted other important considerations for the City, including inconsistencies in pay grades for potentially similar jobs and opportunities to improve the City's current rubric for determining pay grades.

This presentation synthesizes all key activities and deliverables completed between January 2023 and November 2023.

Summary of Project Deliverables



Phase I: Initiate

- Initial Planning Meeting
- Project Milestone Schedule
- Kickoff Meeting




Phase II: Develop Strategy

- Facilitated Strategy Workshops
- Strategy Framework
- Benefits Market Research Summary
- Classification and Compensation Strategy (Draft & Final)



Phase III:

- Position Description Questionnaire
- Recommendations Related to Job Classifications, Titles, and Descriptions
- Job Grade Validation (47 positions)
- Summary of Market Pricing Results (Draft & Final)



Phase IV: Project Management

- Status Meetings and Reports
- Project Close-Out Presentation
- Open Item:** Implementation Support as Requested

Project Approach

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Project Approach

This classification and compensation analysis was divided into four phases. Key activities by phase are summarized below and on the following slides.



Phase I: Initiate

Crowe and the City initiated the Classification and Compensation Study and completed the following activities:

1. Conduct Initial Planning: Held an initial planning meeting with the City's Project Manager to confirm expectations, define key milestone dates, and identify project stakeholders.
2. Develop Schedule: Crowe developed a project milestone schedule, to include key activities, dates, and responsible parties.
3. Facilitate Kick-Off: Crowe facilitated a one-hour kickoff meeting to introduce key stakeholders to the project.
4. Request Documentation: Crowe asked the City to provide relevant existing information, such as organizational charts, detailed position lists (without personally-identifiable information (PII), and current classification and compensation information.

Phase I: Initiate – Stakeholder Engagement

While initiating the project, Crowe met with City stakeholders in a series of focus group sessions to better understand perceived strengths and challenges related to the City's current classification and compensation practices. Meetings included representatives from the following stakeholder groups:

- **Office of the Mayor**
- **City Department Heads**, including representatives from Community and Family Resources, Economic and Sustainable Development, Engineering, Fire, Housing and Neighborhood Development, Information and Technology Services, Parks and Recreation, Planning and Transportation, Public Works, and Utilities (*Note: Human Resources did not attend these sessions to allow Department Heads to speak candidly.*)
- **Job Evaluation Committee (JEC)**, including the Deputy Mayor, Controller, Corporation Council, and Human Resources Interim Director
- **Human Resources (HR) Department**, including the HR Interim Director and Director of Compensation and Benefits

Stakeholders shared input on topics such as: position recruitment; position retention; processes and policy related to the internal valuation of positions (i.e., pay grade determination); processes and policy related to setting salaries for new hires; and pay grade compression. Crowe considered this input while executing various parts of the analysis (such as benchmark selection), and stakeholder comments influenced several of our recommendations and observations (such as recommended policy decisions related to salary setting).

Phase II: Develop Strategy

During Phase II, Crowe collaborated with the City to develop a strategy for proactively maintaining and periodically updating City classifications and compensation.

Key activities in this phase are summarized at right.

1. Assess Current State: As an input to developing a long-term classification and compensation strategy for the City, Crowe reviewed documentation provided in Phase One and facilitated a series of interviews with key stakeholders to better understand perceived strengths and challenges of the City's current classification and compensation practices.
2. Develop Strategy Framework and Facilitate Workshops: Using information from the previous steps, Crowe developed a framework for a classification and compensation strategy which outlined how the City can approach classification and compensation management and periodic updates in the long-term. Next, Crowe facilitated collaborative sessions with HR to evaluate options and refine the strategic direction.
3. Market Research on Benefits: Crowe researched and summarized market trends related to employee benefits, including the types of benefits being offered by employers and the types of benefits perceived as important to today's workforce.
4. Develop Classification and Compensation Strategy: Using inputs above, Crowe developed a Classification and Compensation Strategy document that included the following sections: Executive Summary, Compensation Philosophy, Classification Strategy, and Compensation Strategy.

Phase II: Market Analysis

Crowe obtained internal (City) and external (market) data, conducted a market pricing analysis, and summarized results. Key activities included:

1. Develop Position Description Questionnaire (PDQs): Crowe developed a PDQ to ask a series of questions related to the scope and duties of jobs. Crowe analyzed completed PDQs compared to current job (position) descriptions to determine if current job descriptions could be relied on as documentation of duties for purposes of identifying comparable jobs in the market. The analysis determined that job descriptions were substantially consistent with PDQs, and the City determined that current job descriptions could be used as valid inputs to identify comparable jobs in the market.
2. Develop Job Families: The City and Crowe organized in-scope positions into job families, which are groupings of multiple job titles that have similar functions and essential responsibilities, and may also require comparable knowledge, skills, and training. This process was essential to the market analysis as it assisted the Crowe team with selecting a representative sample of benchmark titles from all job families and ensured that there were appropriate market data sources with potential job matches for all job families.
3. Conduct Market Compensation Benchmarking Analysis: Crowe market priced 86 benchmarks based on compensation information from up to 8 peer employer sources, as selected by the City. Crowe identified the peer market minimum, midpoint (or calculated mean), and maximum pay for comparable jobs, and used this information to calculate the composite market salary range for each benchmark.
4. Position Grade Validation (via Change Order): Following the completion of the benchmarking activity in June 2023, the City and Crowe executed a change order to include an additional project activity at the request of the City. The additional activity consisted of *evaluating 47 of the City's job (position) descriptions using the City's existing Point Factor Job Scoring Rubric*. The purpose of this activity was to identify positions whose job (position) descriptions may be misaligned with the current pay grade to provide additional considerations for which pay grades to use for the sole purpose of applying the results of market benchmarking.
5. Extrapolate Market Results: Crowe conducted an analysis to extrapolate the market results for application to all in-scope positions (benchmarks and non-benchmarks) and developed market-relevant pay ranges. To develop recommended, market-informed pay ranges, Crowe looked to align external valuation (market analysis results) and internal valuation (or groups of jobs that are compensated comparably, as primarily indicated by City pay grades). Crowe then plotted the relationship between market data and these groups of jobs.

Phase IV: Project Management & Closeout

Phase IV included ongoing project management and closing the planned scope of work. In addition, we note that the City's contract with Crowe allows for additional services to support the City's transition to implementation. Activities included:

1. Conduct Project Close-Out Presentation: Crowe presented this executive-level project summary to key stakeholders, summarizing project results and recommendations.
2. Ongoing Project Management: Throughout the project, Crowe provided weekly written status reports and facilitated weekly status meetings with the Human Resources Interim Director and Director of Compensation and Benefits.
3. Implementation Support as Requested (**Open Item**): Pending unused funds within the total not-to-exceed contract amount, the City may request that Crowe provide additional deliverables related to this scope of work. This line item is intended to provide the City with flexibility to direct Crowe's support based on the City's priorities/greatest needs as the City moves toward implementing any changes that result from this project and its analysis. For illustrative purposes, deliverables may include items such as the following (assuming sufficient available budget and City authorization):
 - a. Drafting or reviewing communications to City personnel regarding adjustments to policy, practice, classification, or compensation
 - b. Building a Citywide classification hierarchy comprised of job families, streamlined/ consolidated job titles, and career levels
 - c. Evaluating/grading additional jobs using the City's internal valuation tool (the existing tool or a tool with recommended updates)

Key Results

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Classification and Compensation Strategy

Compensation Philosophy

“The City of Bloomington aims to be an employer of choice in the community by recruiting and retaining well-qualified employees. The City strives to provide a competitive total compensation package, including base pay, certain forms of supplemental pay, health benefits, and other desirable amenities such as flexible hours and a reasonable allowance for working remotely.

Bloomington ensures that each City employee earns a living wage; this serves as the minimum base pay a City employee will earn. The City also values reasonably higher salaries for leadership positions, particularly those leaders with widespread impact on the community, personnel, operations, and resources. The City’s pay structure reflects this, with higher salaries for supervisor, manager, director, and other leadership positions. The City also values career development and aims to implement a compensation strategy that appropriately rewards professional growth and tenure while mindful of internal pay equity for individuals performing the same essential responsibilities.”

-excerpt from City of Bloomington
Classification and Compensation Strategy

The ***City of Bloomington Classification and Compensation Strategy*** was co-created by the City and Crowe and serves as a guidepost for the City’s key goals, philosophy, and approach to classifying and compensating its workforce. It includes:

- Classification Strategy (including an approach to Job Families; Titles and Descriptions; and Internal Valuation and Job Grading)
- Compensation Strategy (including an approach to Periodic External Market Analysis; Ad Hoc Market Analysis; and Pay Schedules, Grades, and Grade Pay Ranges)
- Future Considerations (including for Pay Schedules and Grades; Roles and Responsibilities; Classification Hierarchy for Career Progression; Internal Valuation Point Factors and Weighting; and Routine Classification and Compensation Activities)

Market Analysis Results

Results of the market analysis were provided to the City in the **Summary of Market Pricing Results** report in November 2023.

This report summarized the approach and results of the market compensation analysis, and provided observations and recommendations based on the analysis.

Background and Document Purpose

In January 2023, the City of Bloomington (City) contracted with Crowe LLP (Crowe) to conduct a Compensation and Classification Study, including a market compensation analysis to obtain data and make recommendations related to compensating a subset of City positions. The scope of this market analysis included 257 non-union, Civil positions at the City and included base compensation only; the scope of this engagement did not include an assessment of benefits, hazard pay, bonuses, or other types of compensation other than base pay.

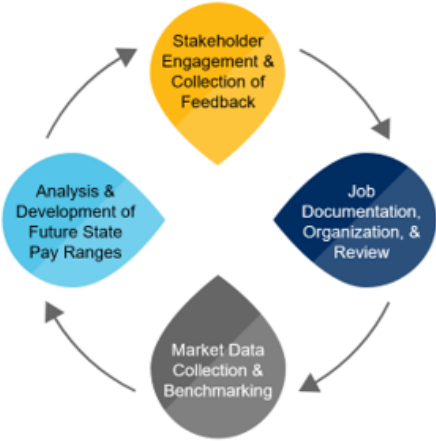
This document summarizes the approach and results of the market compensation analysis. This document also provides related observations and recommendations based on the analysis.

This document includes the following appendices:

- **Appendix A: Document Definitions**
- **Appendix B: Revised Pay Ranges For In-Scope Positions** (provided under separate cover)

Approach Summary

The following section summarizes Crowe’s approach to the market compensation analysis. Below the graphic, we explain each set of activities in more detail.



Market Analysis Results

As part of project activities, the City expressed its interest in an updated pay structure that includes narrower pay ranges for each grade, more grades, and consistent linear progression from one pay grade to the next.

Based on these goals and the market results, Crowe provided an initial set of market pay ranges to the City in August 2023. Between August and October 2023, the City and Crowe collaboratively refined the future state pay ranges to further meet the City’s policy goals. See **Summary of Market Pricing Results** report Exhibits 6 and 7 (shown to the right) for the proposed pay ranges.

Exhibit 6
Revised Future State Citywide Pay Schedule (Schedule A)

Grade	Minimum	Midpoint	Maximum	Range
1	\$32,760	\$36,036	\$39,312	20%
2	\$34,400	\$37,840	\$41,280	20%
3	\$36,809	\$40,490	\$44,171	20%
4	\$38,932	\$44,772	\$50,612	30%
5	\$45,264	\$52,054	\$58,844	30%
6	\$51,597	\$59,336	\$67,075	30%
7	\$57,929	\$66,618	\$75,307	30%
8	\$64,261	\$73,900	\$83,539	30%
9	\$70,593	\$81,182	\$91,771	30%
10	\$76,925	\$88,464	\$100,003	30%
11	\$83,257	\$95,746	\$108,235	30%
12	\$91,304	\$105,000	\$118,696	30%
13	\$104,348	\$120,000	\$135,652	30%
14	\$121,739	\$140,000	\$158,261	30%

Exhibit 7
Revised Future State Premium Pay Schedule (Schedule B)

Grade	Minimum	Midpoint	Maximum	Range
5	\$48,070	\$55,281	\$62,492	30%
6	\$54,796	\$63,015	\$71,234	30%
7	\$61,521	\$70,748	\$79,976	30%
8	\$68,245	\$78,482	\$88,718	30%
9	\$74,970	\$86,215	\$97,461	30%
10	\$81,694	\$93,949	\$106,203	30%
11	\$88,419	\$101,682	\$114,946	30%
12	\$96,965	\$111,510	\$126,055	30%
13	\$110,818	\$127,440	\$144,062	30%
14	\$129,287	\$148,680	\$168,073	30%

Market Analysis Additional Observations

In the ***Summary of Market Pricing Results*** report, we provide additional observations and recommendations related to how the City currently classifies and compensates its workforce.

1. Pay Grade Inconsistencies

A leading practice is to use a consistent pay grade for all jobs that share a title and share substantial job duties. This promotes internal equity and eases the administrative management of the classification and compensation plans, including analyses thereof.

2. Challenges with Job Scoring (Grading) Process and Rubric

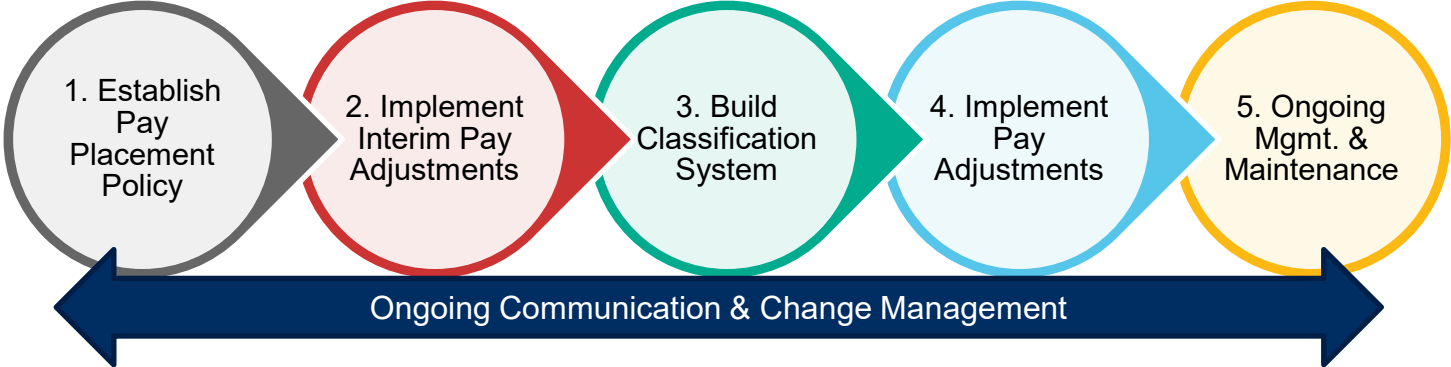
The City's current rubric for determining pay grade contains certain characteristics that may be subject to interpretation and/or may not align with current City priorities for how jobs are valued relative to each other. We have provided recommendations to update this rubric.

Please see the ***Summary of Market Pricing Results*** for additional context. We recommend addressing these inconsistencies and challenges as part of implementing the results and recommendations of this study.

Implementation Considerations

Project results support recommended adjustments to compensation and classification structures and practices.

We recognize that these recommendations will require a thoughtful plan to implement, and many of the recommended actions are interdependent with each other. To support the City in developing an implementation plan, Crowe provided a multi-staged framework for the City’s consideration as it determines which (if any) recommendations to implement, and then how to approach those changes.



Please see the Implementation Considerations section of the **Summary of Market Pricing Results** for detailed discussion.

Next Steps

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Next Steps for the City

As of Fall 2023, the City is reviewing deliverables from the Classification and Compensation Study. The City's next steps focus on a series of policy and operational decisions needed. These include:

- Decision about which recommended adjustments to classification and compensation to implement
- Decision regarding pay placement and adjustments within pay ranges
- Decision regarding whether to a) make interim pay adjustments, followed by structural updates to classification and compensation practices, and subsequent long-term pay adjustments; or b) make pay adjustments without structural changes to the classification and compensation plans.

Given the City's upcoming change in administration, we recognize that these conversations and decisions may occur over several weeks or months to enable relevant leaders and stakeholders to provide input and direction.

Next Steps for the City and Crowe

Crowe is pleased to report that the initial project scope was completed underbudget. As of November 21, 2023, the City has approximately **\$61,000 remaining** in its contracted project budget (including funds authorized by a July 2023 change order.)

As noted, the City's contract authorizes assigning work to Crowe to support implementation. The "Implementation Support as Requested" contract line item provides the City the flexibility to direct Crowe's support based on the City's priorities/greatest needs as the City moves toward implementing any changes that result from this project and its analysis.

Crowe welcomes the opportunity to discuss these implementation support services.

Closing

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Thank You!

The Crowe team sincerely thanks the City of Bloomington for the opportunity to support this important Classification and Compensation Study. We thank the Mayor's Office, Job Evaluation Committee Members (JEC), and City Department Heads for their time commitment and important contributions to this Study, with special thanks to Interim Human Resources Director Emily Fields and Director of Compensation and Benefits Erica De Santis for their project leadership.

For any questions related to this project or to discuss next steps, please contact the Crowe project team.

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Thank You!

