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City Clerk's Office
Hiawatha City Hall
101 Emmons Street
Hiawatha, Iowa 52233

Memo

To: Mayor and City Council

From: City Clerk Kelly Kornegor and City Administrator Kim Downs

Date: September 20, 2017

Re: Professional Compensation Study

City Council approved additional funding in the FY 2018 budget in order for staff to conduct a professional compensation study. Kim and I requested proposals from three (3) qualified companies from the metro area to perform these services. See attached bid matrix.

After review of the proposals submitted and some phone calls to get clarification from the responding companies, we recommend award of contract to Newport Group of Cedar Rapids. The following information will explain our decision.

Newport Group uses a combination of published compensation survey data as well as making direct contact with seven to ten comparable municipalities in Iowa to collect data and compile the responses. The reports generated after completion of the study are very detailed including a comparison indicating survey sources, geographic assessment, data aging, and comparison to current compensation at the City of Hiawatha. Newport Group will also make recommendation for associated compensation ranges and potential compensation adjustments and provide national and regional trend data in base pay and salary structure adjustments. We have seen a copy of a recent compensation survey Newport Group conducted for Windsor Heights and it is very thorough. Cost for services is in the range of $12,725.00 - $13,250.00.

Skywalk Group's approach to this project would be somewhat similar to Newport Group. However, Skywalk Group would mainly use published compensation surveys and may make phone calls and conduct visits with companies when more information is required for a particular position. Skywalk would compare three to five comparable entities unless there are descrepencies in the data that would require additional municipalities be added. When the study is complete, Skywalk will put together a report of findings including market results, local low to average to high salary ranges, and provide recommendations. Cost for services is $13,500.00.

Honkamp Krueger submitted two proposals. Under the lower cost proposal, Honkamp would generate reports using PayScale. Honkamp would be able to specify the data points to pull for example, geography and sectors of employment. Once the parameters are set up, PayScale will generate a variety of reports based on matches to market data. The reports generated from PayScale would show information such as total compensation, base salary, bonuses, hourly

rate, job summary, and salary and hourly rate paid by experience. The reports do not specify the municipalities that Hiawatha would be compared to and there would be no direct contact with the municipalities if more information is required; it is accurate information but gives the feel and presentation of a canned report of market trends. Cost for services is $8,050.00.

Under the higher cost proposal submitted by Honkamp Krueger, they would generate reports using PayScale and six additional market data outlets including Iowa Workforce Development and five comparable municipalities for comparative analysis. Honkamp Krueger would provide a comprehensive report on each position as to recommended salary range, detailed information down to demographic and experience level. Cost for services is $25,300.00.

If you agree with our recommendation and award the contract to Newport Group, we will move forward with a kickoff meeting with the Newport Group team. The project will take approximately six to eight weeks to complete.

Thank you for your consideration of this matter.

Salary Survey Proposals

45 City of Hiawatha Job Descriptions

Company	Notes	Total Project Cost
Newport Group of Cedar Rapids	Combination of published compensation survey data and direct contact with 7 to 10 comparable municipalities in Iowa. Detailed compensation report will be prepared including job duties, salary ranges and recommendations.	$12,725 - $13,250
Skywalk Group of Cedar Rapids	Primarily use published compensation surveys to collect data. Will make contact with municipalities if necessary for a specific position. Report of findings including market results of low to high salary ranges, job duties and recommendations.	$13,500
Honkamp Krueger of Hiawatha	Run current Position descriptions in Payscale to generate reports on comparisons with other municipalities. Reports will not give the names of the organizations used for comparison, but can specify data points to pull (ex. geography, sectors).	$8,050
Honkamp Krueger option 2	Run current position descriptions in Payscale to generate reports on industry comparisons and use 6 additional resources for comparison including IA Workforce Development and 5 comparable municipalities. (could request only 1 or 2 additional resources if 6 not necessary)	$25,300

DRAFT

RESOLUTION NO. 17-
City Council

RESOLUTION APPROVING AWARD OF CONTRACT FOR PROFESSIONAL COMPENSATION STUDY

WHEREAS, City Council made a recommendation to solicit proposals for the completion of a professional compensation study, and

WHEREAS, after receiving and reviewing proposals from three (3) qualified companies who submitted proposals to complete a professional compensation study, city staff recommended the responsive responsible proposal as follows:

Company	Total Project Cost
Newport Group of Cedar Rapids, Iowa	$12,725.00 - $13,250.00

, and

WHEREAS, funding for the total project cost in connection with the completion of a professional compensation study was previously allocated in the FY 2017-2018 Budget in the Contingency line item, and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIAWATHA, IOWA to approve the completion of a professional compensation study with Newport Group of Cedar Rapids Iowa, at a total project cost of $12,725.00 - $13,250.00.

AYES:
NAYS:
ABSENT:

PASSED AND APPROVED this 20th day of September, 2017.

_____
Bill Bennett, Mayor

ATTEST:

_____
Kelly Kornegor, City Clerk