

SUBJECT: MBL Salary Study

Presented to Council

Date: 2/28/00

verified by: HC

REQUESTED BY: Council

PREPARED BY: J. Newman

DATE: February 22, 2000

FOR AGENDA OF: February 28, 2000

SUMMARY:

Attached for your review are copies of correspondence, which we have received from the MBL Group to date.

FISCAL IMPACT: No Yes, amount requested: \$

Fund:

CLERK'S RECOMMENDED ACTION: Informational purposes only.

Administration Initial: SP

Attachments: Correspondence from the MBL Group.

Jamie Newman

From: John Cramer
Sent: Thursday, February 17, 2000 3:43 PM
To: Jamie Newman
Subject: FW: FW: more questions

Jamie this is the response from Paul Barber to the other several questions that were submitted. He is responding due to the fact that Dianne is on her vacation. I am again forwarding this to you as the e-mail is still down at the Library until Tuesday. This is all the questions which I have received to date and they have now been answered.

*Thanks and TTFN
John Cramer*

-----Original Message-----

From: Paul Barber [SMTP:Paul@mblgroup.com]
Sent: Thursday, February 17, 2000 1:38 PM
To: JCramer@ci.wasilla.ak.us
Cc: Liz@mblgroup.com
Subject: Re: FW: more questions

John: answers are in blue following each question.

Paul Barber
MBL Group, Inc.
1220 S.W. Morrison, Ste 900
Portland, OR 97205
ph 503.224.7249 x12
fx 503.224.6707
paul@mblgroup.com

>>> John Cramer <JCramer@ci.wasilla.ak.us> 2/16/00 3:55:57 PM >>>
Paul these were the other questions which I remembered seeing. They were sent to Dianne as you can see a week ago. Let me know if you need anything for these.

Thanks and TTFN
John Cramer

> -----Original Message-----

> From: Jamie Newman
> Sent: Tuesday, February 08, 2000 1:10 PM
> To: John Cramer
> Cc: 'dianne@mblgroup.com'
> Subject: more questions

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> Please provide the following:

> 1) copies of all job descriptions sent to MBL for reformatting and
> then the ones MBL sent back.

• John C. has addressed this request.

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> Please refer to the City of Wasilla - Survey Input Spreadsheet

> Instructions to answer the following questions:

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- > 1) You state in the executive summary (page 5) that in addition to AML and the Alaska Cross Industry Survey, MBL also used two Pacific Northwest Salary Surveys, however, you state under Column Heading Description B, to ignore references to other salary surveys because they were not used in the final determination of Wasilla's proposed grades and ranges. Why the contradiction?
- > Who made and at what point was the decision made to only use AML & Alaska Cross Industry Survey?

• > There are several parts to this question that I will address. First, MBL made the decision as to which surveys to use. We were not directed to use any particular data: rather, we were hired for our expertise in this area and expected to use our professional judgement. Second, I do not see a contradiction in the materials we have provided. On page 5 of the Executive Summary is states that the other surveys were used to "suplement and support" the AML and AXI. We use many sources when we do this work to validate data as explained in the last sentence of the Column Heading Description B. These other surveys were used as reference points or valaidation points to further insure that the data we did use for calculations was reasonable and reflective of the local market by referencing it against a larger but different market than Alaska. We did not use the data in claculations as we were satisfied that the data from AML and AXI was appropriate. In virtually all cases, if we would have included theother surveys, the proposed grades and ranges for Wasilla positions would have been lower.

- > 2) You state in the executive summary (page 4) that the primary Alaska surveys used for the 1999 Compensation review was AML, MBL compiled three distinct sets of data analysis based on 1) All Alaska, 2) By Geography (Fairbanks to Kodiak), 3) By population of municipalities of 1000 or more. Again why the contradiction? Who made and at what point was the decision made to only use geography and population?

> I do not understand where the contratiction is? Again, MBL made the decisions as to how to better focus the broad range of data that was provided in the AML survey. We identified the cities and municipalities to include in the geographic cut with the help of one of our own staff who is an Alaskan Native American. We shared this list of proposed cities with the COW and got their concurrence. As explained in our materials under Column Heading Description E.F.G.H., the All Alaska data contained many municipalities with populations as small as 25 people and municipalities that are geographically far removed from Wasilla. These are not valid comparison to Wasilla. The geographic and population cuts were done to better focus ths data on cities that were more similar to Wasilla and ones that would compete for employees in the same general market. This is standard procedured in compensation work.

- 3) Understanding how you arrive at weighted averages, please provide the calculation used to determine the final placement of positions on the salary grades and ranges. Please use the position of administration assistant on page 4 of the survey spreadsheet to illustrate this. In column O you have \$15.28 in bold, which is the weighted average by geography/population for the AML Administrative Assistant match. You have also referenced AML Executive Secretary, AML Sr. General Clerical, and AK Cross-Industry position number 1.3, General Clerk-Sr., but you do not indicate the weighted average in column O. Please do so and then show the calculation used to average those four sources. I would assume at this point you would do a "simple average". If not, how do you arrive at the mid point dollar amount for that position?

The concept of weighted average is described in our materials under Column Heading Description O. With reference to the specific job you are referring to the formula is contained in the attachment to this reply.

>
> Thank you, Jamie
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> Formula for Admin
> Asst-weighte...

Jamie Newman

From: John Cramer
Sent: Wednesday, February 16, 2000 3:28 PM
o: Jamie Newman
Subject: FW: FW: questions submitted

Jamie, Paul Barber from MBL answered the questions which you sent on 2-7. Their answers do not show up in blue as he indicates but, can be figured out by reading the question and seeing the answer which immediately follows. I am just forwarding them on to you for the committee. I know that you are out for the week but, the e-mail to the library and Cathy is out of commission until Tuesday the 22nd. Good to have you back.

*Thanks and TTFN
John Cramer*

-----Original Message-----

From: Paul Barber [SMTP:Paul@mblgroup.com]
Sent: Tuesday, February 15, 2000 4:36 PM
To: JCramer@ci.wasilla.ak.us
Subject: Re: FW: questions submitted

John: The answers to the questions submitted follow the questions. The answers are coded in blue. See below.

Paul Barber
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x 503.224.6707
paul@mblgroup.com

>>> John Cramer <JCramer@ci.wasilla.ak.us> 2/7/00 11:15:13 AM >>>
Paul and Liz: I understand that Dianne is gone on her much deserved vacation, I hope that she thoroughly enjoys her time away. I am forwarding these questions from the employees so that they can be worked on over the next week or so. I know that you have other work to do so let me know what a reasonable amount of time would be. I also sent to Dianne via e-mail last week a request that maybe Liz could assist with. I can forward that request as well to you if needed just let me know what is best. I know that the employee group will be dissecting what was given to them last week and that we can anticipate further question over time.

Thanks and TTFN
John Cramer

> -----Original Message-----

> From: Jamie Newman
> Sent: Friday, February 04, 2000 3:44 PM
> To: John Cramer
> Cc: 'dianne@mblgroup.com'
> Subject: questions submitted

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> John: here is the first set of questions I have received:

> 1. All Wasilla job descriptions submitted to MBL (the originals which

> MBL then reformatted) from COW.

- John C has supplied the job descriptions in question to the committee.

>
2. A written catalog of all instruction (both in writing and those given verbally) given to MBL .

- This is impossible. If the committee has a specific question, I would be glad to answer it. The basic answer to this question is that MBL was given a broad task of repricing all COW jobs in the market place and to recommend our findings to the Mayor and City Council. We were hired to do this work as we are a professional organization who has done and continues to do these type of assignments for a countless number of clients. We were not directed, influenced, or told to perform our work in a certain manner or to achieve certain results.

> 3. A written explanation with specific detail as to why some positions
> were compared to more than one job description and other positions were
> compared to less. In some cases people seemed to be compared to job title
> and if a match to job title could not be found, several matches were used.
> If you look at job descriptions for all positions, several comparatives
> could have been used in all cases. Why do comparisons appear so
> arbitrary? Did COW have any input with the comparisons selected or was
> this done entirely by MBL? Was there any verbal or written contact with
> COW and MBL to make these determinations? If so, please provide written
> detail.

- The answer to this question is in the written instructions and materials provided by Dianne Burt-Green to the committee on February 1st. It is also important to remember that comparisons are done between job content not job title. In addition, there are times in a project such as this that the consultant will need to make a professional judgement call as to whether the job content being compared represents a solid match or is there room for variance. In these situations, it is standard practice to compare the position to other jobs with similar content to validate results.

> 4. A written explanation with specific detail as to why MBL used the
> studies they did rather than the studies used by C&L. As we are all aware
> many data sources exist and are available. Why these selections? Was
> this a directive from COW?

- When Coopers did their work, the primary survey source was a custom survey of selected municipalities and industries prepared by and administered by Coopers. MBL was prepared to conduct a similar survey until we located the AML survey. MBL advised COW that this survey would provide high quality data and that it was more complete than the work done by Coopers. In addition, this survey was available for substantially less money than it would cost to do another custom survey. Further, if we would have done a custom survey we would have simply duplicated a lot of the information that was available through the AML survey.
- MBL also selected the Milliman & Robertson survey for use as this is viewed as one of the premier sources of salary information that is geographically focused. M& R is a national firm who does numerous salary surveys for selected industries or areas throughout the country. We have used M& R surveys for years.
- We also evaluated other sources available on the Internet or from other published studies. We chose not to use many of these as the data is stale (over 2 years) or biased as it is supplied by firms hoping to market services (e.g. salary levels for positions published by Temporary Services firms.).

There was not a directive from COW to use any particular source of data. MBL used their professional experience and judgement in selecting surveys.

> Thanks, Jamie

> p.s. I am going to submit these as I receive them.