

**APPROVED MINUTES
OF THE SPECIAL MEETING
CITY OF EAST GRAND FORKS
TUESDAY, SEPTEMBER 18, 2018 – FOLLOWING THE COUNCIL MEETING**

CALL TO ORDER:

The Special Meeting of the East Grand Forks City Council for Tuesday, September 18, 2018 was called to order by Council President Olstad at 5:59 P.M.

CALL OF ROLL:

On a Call of Roll the following members of the East Grand Forks City Council were present: Mayor Steve Gander, Council President Mark Olstad, Council Vice President Chad Grassel, Council Members Clarence Vetter, Tim Riopelle, and Marc DeMers.

Karla Anderson, Finance Director; Nancy Ellis, City Planner; Paul Gorte, Economic Development Director; Mike Hedlund, Police Chief; Charlotte Helgeson, Library Director; Reid Huttunen, Parks and Recreation Superintendent; David Murphy, City Administrator/Clerk-Treasurer; Megan Nelson, City Clerk; and Jason Stordahl, Public Works Director.

DETERMINATION OF QUORUM:

The Council President determined a quorum was present.

1. Presentation and Discussion on the Classification and Compensation Study.

Mr. Murphy introduced Ms. Tessia Melvin from David Drown Associates and who the City contracted with to complete the wage study to see if the City is still competitive in comparison to other cities. He added she had also completed the pay equity study which was provided and came back favorably for the City. He stated Ms. Melvin had been to a prior meeting with preliminary information and she was here to give the final report and answer any questions from the Council. He reminded the Council Ms. Melvin has extensive experience working as a city administrator.

Ms. Melvin told the Council the history of David Drown Associates (DDA), how for the last five year they have been working in the human resource field because of client requests, and how all of the people working at DDA have experience working in cities so they understand the roles of staff, council, and tax payers. She explained the wage analysis was completed which included both wages and benefits being taken under consideration, jobs were benchmarked, all positions were evaluated and classified, and the wages were calibrated. She told the Council the reason to classify and point positions is because the State of Minnesota requires pay equity reports to be completed which does require the classification of the position, the position being pointed, the minimum and maximum for the salary, and how many men and women are in those jobs. She added pay equity was created in the late 1980s, it really hasn't been updated since then, and if a city doesn't complete pay equity or fails the City loses its LGA money.

She said in this process they look at the external markets, make sure the job descriptions are up to date, and doing these things will help the City pass pay equity. She stated she had been at a meeting once before

for the preliminary information, updated the Council with what the intent is moving forward, and completed an appeals process with a classification for one position. She reminded the Council the benchmark communities that were used in this process and brought up the chart that showed where the positions were at compared to the minimum and maximum of the market. She explained there were four positions that start out below the market minimum, the Fire and Library Departments are under market because they provide additional services so when they look at the pay they had to look at more than just the service level to compare apples to apples. Ms. Melvin stated they were asked to look at Grand Forks, they did provide information, this was done as a snap shot, and East Grand Forks seems to be competitive with them.

Ms. Melvin said when looking at the job classification they consider the education and experience needed for a position, they look at what is needed for the current positions, and how that ties to the budget. She stated how things effect the budget can also effect decision making which also can effect the budget. She added they also take a look at relationships, communication, conditions of the work environment which include the physical, mental, and hazards of the position, and lastly they look at if it is a position that supervises others or provides work direction for others.

Ms. Melvin told the Council because of the differences in the systems for classifying and pointing positions the Springsted system cannot be compared apples to apples to the system they use. She added that the system the City had been using was working well because most of the positions are in line with where they should be and how there were just a few positions that needed an adjustment to get them where the current market was at. She told the Council it was a total of 11 employees and to move them into the market minimum was about \$19,000. She continued saying another option would be moving those up to a minimum and include a 2% cost of living (COLA) increase for all employees. She added for a small fee the City could continue with ongoing maintenance done by DDA and have a third of the employees reviewed each year so when pay equity is due every three years everything will be up to date. She then asked for questions.

Council member DeMers asked if the average salaries were based on the salaries of employees or the minimum and maximum of the market. Ms. Melvin said the current average salary is the average of all of the people in that position so if there were ten people in that position it was an average of all of their salaries. She added the dots represented the average salaries and the lines represent the current market minimum and maximum. Council member DeMers said he had a question on page 2 where it mentions the potential for future employee turnover and recruitment and how that transfers into where things are weighted as far as market and other factors. Discussion followed about how if a position starts under where the market is the City could have difficulty filling that position, recruitment has been an issue statewide, so increasing these positions to at least the minimum market salary would keep the City competitive in the recruitment process and how it would be a decision for the Council on how they would like to set the pay philosophy for the City.

Ms. Melvin stated they specifically looked at where the market currently was for this study and how the people that are currently being underpaid are raised to the minimum so when this position does become open people will want to apply if they can make the same amount as other places. She added with the tenure some employees have at some point there will be retirements and openings that will need to be filled. She told the Council when she first started as a city administrator when they had an opening in the police department they would receive 150 applications and when she left they were down to only receiving 50 applications for an opening in the metro area so recruitment is an issue everywhere.

Council member DeMers said the four patrol officers are the newest hirers and within three years they will be at the mean so is this something the City would need to accelerate. Ms. Melvin said they are not trying to creating a max so the positions will end up above but it is intended for those that are below to be placed at the minimum so when the City is accepting applications for a position they can be competitive for recruitment. Chief Hedlund said one of the big factors for the patrol officers is that for the proposed point system they move from a grade 14 to a grade 15. He added three of the four officers just reached their one year anniversary.

Council member DeMers said how eight of the 14 officers are above the minimum so the City's steps increases allow them to get to the mean faster. Council President Olstad asked if there is a concern about moving employees up to the minimum and including the COLA employees will be way past the mean faster than normally. Council member DeMers said that is what he is wondering because how they currently progress those four will be at the mean. He added maybe they should increase the bottom up a little bit at some point and correct the range. He said he would rather look at the salary ranges. Ms. Melvin said that is what they did because the last time this information was reviewed was in 2012 so they are looking at the last six years and reviewing to see if the system did what it was supposed to do. She added for the most part it did, there aren't large gaps, and if this was looked at sooner they would have seen this a lot sooner. She told the Council the sergeants were lower on the Springsted scale, she wasn't sure why, and that may be a reason for the patrol officer also being lower. Council member DeMers commented that if this was done four years from now these people will be right within the range. Ms. Melvin said their goal in four years from now is everyone is right where they are supposed to be because they will be reviewing where the market is on an ongoing basis. She commented she doesn't think it makes sense to complete a study and then wait to implement things because there may be a gap to fill. She added to her it makes more sense to have that ongoing maintenance based on her experience as a former administrator.

Council President Olstad asked if the costs of those employees at their one year mark were included in the costs of implementation. Ms. Knudson said it was and how they had looked at where all staff was going to be at 12/31/2018 and determined all positions would be implemented on the new pay plan. Council President Olstad asked if those costs were included in the budget that has been proposed. Ms. Knudson said they had been.

Council President Olstad asked if there were any other questions. Council member Vetter asked if the City was in line with State guidelines when it comes to pay equity. Ms. Melvin said the City was and stated that if this is approved they can complete a pay equity test to show the Council where things are at. She added it was more difficult this time because housing was separate but she doesn't see any issues because the City was in line with where things were at before. Council member Vetter asked if none of the proposals were adopted if the City would still pass pay equity. Ms. Melvin said that was correct and the City was good for the next three years. Discussion followed on how pay equity is an internal check to compare if men and women are being paid the same that are in the same position.

Council President Olstad asked if there were any other question. Mr. Murphy said there was not going to be a motion to take action on this, how this would be considered at a future meeting, and it will be brought forward again for more discussion. Council President Olstad asked what was going to be approved. Mr. Murphy said he was going to bring forward the recommendation to approve and adopt the findings from the wage study. Mayor Gander said that would include adjusting pay for individuals. Council member DeMers asked if there was going to be groupings or it if was going to be all or nothing. Mr. Murphy said it could be discussion now or brought back to a work session to get direction from the Council on how

they would like to move forward and added he would recommend adopting it all.

Council President Olstad asked what the pros and cons would be. Mr. Murphy said if they did certain positions and not others there was a potential to at some point throw off pay equity at some point and it could create a morale issue. Council DeMers asked if there was a bare minimum option to approve. Ms. Melvin said the bare minimum would be to move those under the current market up into the minimum market level and the next option would be to consider if they would like to include a 2% COLA. Mr. Murphy reminded everyone there are three year contracts in place and how they included a reopener once the study results were completed. Council President Olstad asked what would happen if nothing is adopted, the unions request a reopener, and nothing is resolved by December. Mr. Murphy said wages would be frozen until something was decided and settled. Council President Olstad asked once this was settled if it would be retroactive back to January 1st. Mr. Murphy said unless it was negotiated differently it would be retroactive to January 1st. Mayor Gander said it would be helpful to have this brought back to a work session, a couple people were not present, and there are still some questions that need to be answered. Council President Olstad said that would be the proper thing to do. Mr. Murphy said he would be bringing the budget impact of different options. Ms. Melvin said to send her any questions they come up with.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER RIOPELLE, TO ADJOURN THE SEPTEMBER 18, 2018 SPECIAL MEETING OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:29 P.M.

Voting Aye: Olstad, Grassel, DeMers, Vetter, and Riopelle.

Voting Nay: None.

Absent: Pokrzywinski and Tweten.

David Murphy, City Administrator/Clerk-Treasurer