



**City of Newport
City Council Minutes
January 15, 2015**

1. CALL TO ORDER

Mayor Geraghty called the meeting to order at 5:30 P.M.

2. OATH OF OFFICE ADMINISTERED TO NEW COUNCIL MEMBERS BY ADMINISTRATOR HILL

Admin. Hill administered the Oath of Office to Dan Lund and Tracy Rahm.

3. PLEDGE OF ALLEGIANCE

4. ROLL CALL -

Council Present – Tim Geraghty; Tom Ingemann; Bill Sumner; Tracy Rahm; Dan Lund

Council Absent –

Staff Present – Deb Hill, City Administrator; Bruce Hanson, Supt. of Public Works; Curt Montgomery, Police Chief; Steve Wiley, Fire Chief; Renee Eisenbeisz, Executive Analyst; Fritz Knaak, City Attorney; Jon Herdegen, City Engineer;

Staff Absent –

5. ADOPT AGENDA

Motion by Ingemann, seconded by Sumner, to adopt the Agenda as presented. With 5 Ayes, 0 Nays, the motion carried.

6. ADOPT CONSENT AGENDA

Motion by Sumner, seconded by Rahm, to approve the Consent Agenda as presented, which includes the following items:

- A. Minutes of the December 18, 2014 Regular City Council Meeting
- B. List of Bills in the Amount of \$674,210.31
- C. Gambling Permits
- D. Resolution No. 2015-1 - Accepting Donations for the Period of November 18, 2014 - January 12, 2015

With 5 Ayes, 0 Nays, the motion carried.

7. VISITORS PRESENTATIONS/PETITIONS/CORRESPONDENCE

A. Tom Aguilar-Downing - Overall Best Photo from the 2014 Parks Photo Contest

Tom Aguilar-Downing, Chairperson of the Park Board, was present to discuss the 2014 Parks Photo Contest. There were four seasonal contests with adult and youth divisions. There are three categories in each division, nature, black and white, and people or animal. Brian North, Jamie Smith, Kari Laylend, Bes Coy, and Mr. Aguilar-Downing were judges for the contests. The winning photos for each contest were displayed throughout the City. There were 77 photos submitted throughout the year by 10 participants.

There were six photos for residents to vote on for the Overall Best Photo of the Year. They were:

- Adult, Black and White - Jen Knutson, Butterfly and Bumble Bee
- Adult, Nature - Jen Knutson, Red Admiral of the Cone Flowers
- Adult, People or Animal - Jen Knutson, Dance of the Bumble Bee

- Youth, Black and White - Brooke Kolodziej, Field of Dreams
- Youth, Nature - Brooke Kolodziej, Hockey Fun at Loveland
- Youth, People or Animal - Bethany Habbena, Another Bridge to Cross

The winner of the Overall Best Photo was Brooke Kolodziej with her nature photo, Hockey Fun at Loveland. Brooke won with 71 votes.

8. MAYOR'S REPORT –

A. Summary of the December 18, 2014 Closed Session

Mayor Geraghty - The City Council closed the meeting to the public at 7:04 p.m. The City Council conducted a performance review of Officers McArdell and Muellner under the guidance of the collective bargaining unit. Because neither Officer asked the hearing to be opened, it remained closed. Among matters discussed at the meeting were certain internal affairs information received by the City. The Officers asked that the proposed discipline be dismissed. The Council denied the officer's request. The process remains pending and no final disciplinary action was taken. The City Council opened the meeting to the public at 7:25 p.m.

9. COUNCIL REPORTS –

Councilman Rahm - Nothing to report.

Councilman Ingemann - Nothing to report.

Councilman Sumner - Nothing to report.

Councilman Lund - I am really excited to be here.

10. ADMINISTRATOR'S REPORT –

A. Pay Study

Admin. Hill, Sharon Klumpp, Springsted, and Julie Urell, Springsted presented on this item as outlined in the January 15, 2015 City Council packet.

Councilman Sumner - Speak more about the last comment you made about funding the positions on a fiscally responsible basis. What do you look at when you make that recommendation?

Ms. Urell - The options that we outline start off with the most conservative option which is basically moving anyone that is below the starting point of their grade to the minimum. That is the minimal option to get everyone on a pay grade. Another option includes adding on a percentage increase such as the cost of living. It's putting forward a pay plan that is developed with linear progression that offers the potential to get all of the positions into the ballpark of the market.

Councilman Sumner - Do you consider our budget and ability to pay?

Ms. Urell - Absolutely. We can look at applying different kinds of logic to the options. Many times we can reach a result that is within the budget.

Councilman Ingemann - This is assuming we're on the low side, what if we're on the high side?

Ms. Urell - The model we use identifies the positions and staff within those positions that are below their pay grade, in their pay grade, and above their pay grade.

Councilman Ingemann - Could we freeze their salaries?

Ms. Urell - That's one of the options.

Mayor Geraghty - How many reports have you done like this over the years?

Ms. Urell - Springsted has done probably 500 in the last three years.

Mayor Geraghty - Based on that, does it tend to cost cities more money or less money going forward? Do the reports show a large majority that are underpaying?

Ms. Urell - Yes.

Mayor Geraghty - Under #8 it says "Status under the State of MN Local Government Pay Equity Act," can you explain what that is?

Ms. Urell - Sure, we make sure that the pay plan is in compliance with pay equity. We align the pay plan and final recommendation for what is needed with pay equity.

Mayor Geraghty - Does it tell us if we're compliant?

Ms. Klumpp - When it comes to the number of job classes on the State software, we can't come to a conclusive determination with the City because there is a threshold that you need to have six male-dominated job classes and you have five. If you had six classes, the data would allow us to tell you yes or no. The way that the job classes are falling, we think there are some issues you have with the female classes all being underpaid. We look at that and strive to have all of the positions be paid in an equitable manner in the pay plan.

Councilman Sumner - Have you had experience dealing with that in regards to reports that the State generates.

Ms. Klumpp - The State will look at this and say whether or not you're in compliance. Our sense is that we have some concern based on the data that we looked at. If you proceed with a study like this and receive a notice of non-compliance you've started to set up a framework that you can look at and work with. We don't know if that will happen for sure but we do have some concerns that show you might not be in compliance.

Councilman Sumner - Is the compliance based on other organizations that are bigger than us?

Ms. Klumpp - No. It's looking at only the internal compliance and only takes the jobs that you have. I can't tell you how their software works but they won't be looking at other organizations. They're looking at internal equity. We look at both external competitiveness and internal equity. We would look at the pay equity piece but because you don't have the larger number of classifications, we can't give you a clear answer on it.

Councilman Sumner - But the State will make a determination?

Ms. Klumpp - Yes.

Mayor Geraghty - What if we don't do anything?

Ms. Klumpp - That is an option. If you're not in compliance, they will want you to come in to compliance. I believe that means that you'll give equitable pay and that will need to go back through December 31, 2014. If you look at doing something like this now, you'll look at a structure and put something in place so you aren't just reacting position by position.

Mayor Geraghty - Doesn't the market dictate everything anyways?

Ms. Klumpp - No. The history of pay equity is that market was dictating everything and the female job classes were being underpaid. You saw the work plan and factors, we use those same factors on every position.

Mayor Geraghty - And you look at all of the positions?

Ms. Klumpp - Yes.

Councilman Lund - Can you speak to how longevity and experience factor into the outcome of your analysis?

Ms. Klumpp - Experience factors in because in a job description you generally talk about what you want to see for education and experience. Longevity does not.

Councilman Lund - So if we have someone like Bruce who has been doing his job very well for a very long time we don't get any credit that he's been here a long time in the analysis even though the City gains benefit from it?

Ms. Klumpp - Possibly, I don't recall any of the details on your pay system. There is one part of the pay equity report that asks how many steps it takes to get to the maximum. If there aren't steps, it asks how many years.

Councilman Lund - The reason I'm bringing this up is on average we have a small group of employees. The type of analysis that doesn't take that into consideration maybe doesn't apply in Newport where there isn't a balance of experience between male and female. That could be why it doesn't come out as equitable when you plug in the numbers but in the real world having experience and longevity is worth something.

Ms. Klumpp - I like to think that the pay plan sets that scale for you and it can look at longevity and experience.

Councilman Lund - I heard you say that our female employees are underpaid.

Ms. Klumpp - By the report. There's something called predicted pay. I know this becomes frustrating. We have worked with the pay equity reports, our premise that we approach a study with is equity. We think it's important for all jobs to be paid equitably. .

Councilman Rahm - We do too. When I look at number four and it says market surveys, Newport is a smaller city in a metro area. If I compared Newport to outstate MN we might look overpaid but if you compared us to a larger city, we would look underpaid. The concern I have is how does your system make that right for Newport?

Ms. Klumpp -We'll look at comparable markets like Bayport or Afton. You don't want something that is just generic. We're here to find that sweet spot. We're going to be looking at where you want to be positioned within the market.

Councilman Rahm - Yes, there are different factors. I always tell people to compare us to St. Paul Park, South St. Paul, it's tougher when you compare us to Cottage Grove and Woodbury because they're larger.

Ms. Klumpp - You're right on. If we get data that's outliers, we're going to look at that and usually pull those out.

Councilman Rahm - Has everyone received the pay equity report that we just submitted?

Executive Analyst Eisenbeisz - It was in a November packet for approval.

Councilman Rahm - Can you resend that? One thing is about timing because we just approved the union contracts and salaries for the next three years. Should we look at this now or wait.

Councilman Lund - Back to my original line of questioning, I think a system that assumes an average level of longevity and experience can ignore those as factors and I don't think that's appropriate for Newport. If in 20 years, Deb is still here, it could be balanced the other way. I think that needs to be a factor.

Admin. Hill - That's factored in to the pay equity report.

Councilman Lund - That's better than this proposal then.

Admin. Hill - No that threw out red flags that there's a problem.

Councilman Rahm - Let's review that report again.

Admin. Hill - It doesn't say where you should be, that's what the pay study would give us.

Councilman Lund - I don't think a study that doesn't incorporate longevity and experience will give us a practical salary range.

Ms. Klumpp - We are trying to give you the process that we would go through. I think the Councilmember's questions would be answered in better detail having that full report instead of trying to summarize that piece. I do understand what he's saying and the importance of longevity and maybe that could be part of your pay philosophy.

Councilman Rahm - Someone could be very experienced and be overpaid and someone new could be underpaid because they're newer. I'm concerned about these things too.

Councilman Sumner - The pay equity looks at male female?

Ms. Klumpp - Yes.

Councilman Sumner - Are we penalized because we have three effective females working in our front office?

Ms. Klumpp - No. It doesn't have anything to do with that. It's an analysis of the pay level. The software that they use says that they would expect predicted pay to be x amount.

Councilman Lund - The law gives us many options on how to do this right?

Ms. Klumpp - Yes, they care about the report being in and that the numbers come out in a way that there is equity.

Councilman Lund - Could you speak to what happened when we submitted our report?

Admin. Hill - We received a report that said that there are three females and they're under expected pay and there's one male that is over expected pay.

Councilman Ingemann - A lot of these questions came up during negotiations.

Councilman Lund - What did we send them?

Admin. Hill - There's a point system.

Councilman Lund - So we used the State's system?

Admin. Hill - Yes and we put their gender, their monthly pay, and how long they've been here. For Bruce, it's one male class, x dollars per month, 30 years.

Councilman Lund - So the State analysis includes experience?

Admin. Hill - Yes.

Councilman Lund - I think we need that.

Councilman Ingemann - You look at benefits as well?

Ms. Klumpp - Yes.

Councilman Rahm - Does the pay equity report look at those too?

Admin. Hill - No.

Councilman Rahm - I see the value of this, I don't understand the methodology and that concerns me, and I do wonder about timing. It's in the budget so that's good.

Councilman Lund - It doesn't appear we're under an investigation or non-compliance from the State. The report says that we have five male classes, three of which are underpaid and three female classes, all of which are underpaid.

Councilman Ingemann - It doesn't take benefits into account.

Councilman Lund - I don't know the analysis but that is not enough to say we're not complying. I don't think we have to do anything at this point.

Admin. Hill - To ignore the inequity of it, I think is wrong.

Councilman Lund - It's not an inequity when we only have eight classes.

Councilman Rahm - Do we have a high turnover rate? It doesn't seem like it. We have some benefits that you can't put a number on like four-day work weeks. How does your system count in those things?

Ms. Klumpp - It'll look at the salary piece and we'll report back information on benefits. Salary and compensation have a policy angle to them and all of the points that you're bringing up are good. We just wanted to give you more information on our process.

Admin. Hill - I had this in the budget and we did talk about it at a couple of workshops. I just need to get a couple quotes and I can go ahead with it as an Administrator. I'd really like to have the blessing of the Council before moving forward.

Councilman Lund - But we don't have to do anything.

Admin. Hill - But technically, I can move ahead with it without your approval.

Mayor Geraghty - How do you maintain the objectivity of the staff who are involved because this is financially beneficial to all of them.

Ms. Klumpp - They give input on the work that they do and help us understand their jobs.

Mayor Geraghty - Would you take input from a committee or Council members?

Ms. Klumpp - We certainly can. The goal is to have something that is understandable.

Councilman Lund - Just to be clear, we've already done this and used the State system. This is an alternative system. We don't have to do it and can keep using the State system.

Ms. Klumpp - The State system is just on a pay equity perspective. We're talking about the compensation structure and the State doesn't do that for you.

Councilman Sumner - You'll come back with updated job descriptions and that's something that we don't currently have correct? There is a benefit to having that and I think that can be done at any time. If we have it done now it can possibly impact our future budgeting. We did just agree on salaries for three years but we can start to plan or react for after that.

Councilman Rahm - Unless we uncover something that needs to be addressed earlier.

Mayor Geraghty - I don't think we're ready to say go ahead.

Councilman Sumner - I would make a motion.

Councilman Ingemann - I would second that.

Councilman Sumner - And you think it would be done in six months?

Ms. Klumpp - Yes, and part of that does depend on getting survey responses back.

Councilman Sumner - Well if you've done surveys recently you should have a lot of that data.

Ms. Klumpp - Yes, for 2014 but not if they approved any increases in 2015.

Councilman Rahm - What would have helped me is an example of a final report. There's a lot of details in here. You can get numbers to say a lot of different things.

Ms. Klumpp - We can provide you with something.

Councilman Sumner - How long are these reports?

Ms. Klumpp - I think around 30-40 pages with job descriptions being a part of that.

Councilman Rahm - We just had negotiations and we did some benchmarking with surrounding areas. We should know some of that stuff. It didn't seem like we were that far off.

Councilman Ingemann - Do you want to hold off until we get a sample?

Councilman Rahm - If you want my support that would help.

Councilman Sumner - I'll withdraw my motion.

Councilman Ingemann - Me too.

Councilman Lund - With the recent retirement, we probably have one overpaid employee and the rest are underpaid.

Mayor Geraghty - I'm concerned with public image that we're underpaying the female staff and that's not our intention at all. They're new employees, we advertised, negotiated, and filled the positions. We've given raises. In my opinion, we're being fair. What happens if the report finds that we're paying \$60,000 for the accountant and we should be paying \$80,000.

Councilman Ingemann - Or what happens if we're paying so much and everyone else is less?

Mayor Geraghty - That won't happen. I think you have to include the intangibles like the insurance and four day work week.

B. Contract Agreement with Law Enforcement Labor Services

Admin. Hill presented on this item as outlined in the January 15, 2015 City Council packet.

Councilman Sumner - The MOU was agreed upon by the Law Enforcement?

Admin. Hill - Yes, they brought it up.

Motion by Ingemann, seconded by Rahm, to approve the Contract Agreement with Law Enforcement Labor Services. With 5 Ayes, 0 Nays, the motion carried.

C. 2015 Annual Appointments

Admin. Hill presented on this item as outlined in the January 15, 2015 City Council packet.

Councilman Ingemann - You still have Mark listed on item #16.

Executive Analyst Eisenbeisz - I'll change that. Also, we replaced John Neska on the Bailey School Forest Committee with Matt Yokiel and Laura Duffey wanted to continue on that. You'll be interviewing Planning Commission applicants at a workshop after this and select them at the next meeting.

Motion by Ingemann, seconded by Geraghty, to approve the 2015 Annual Appointments as amended. With 5 Ayes, 0 Nays, the motion carried.

11. ATTORNEY'S REPORT -

Attorney Knaak - In light of the fact that we have a new Councilman, I thought I would give you a summary of the monthly prosecution report. We had 47 prosecutions, that's the new normal for the City. The hearing officer heard 21 matters and had a success rate of almost 80%. I'll stand for any questions.

12. POLICE CHIEF'S REPORT - Nothing to report

Chief Montgomery - We're in the process of hiring a CSO. We're hoping they'll start around March.

Councilman Sumner - That's 20 hours?

Chief Montgomery - It'll average 20 over the year but it increases over the summer.

Councilman Sumner - Do you expect them to start in March?

Chief Montgomery - Yes.

13. FIRE CHIEF'S REPORT -

Chief Wiley - Thank you for your appointment. I'd like to thank retired Fire Chief Mark Mailand for his 35 years of service and the last 10 as Chief.

14. ENGINEER'S REPORT -

A. Partial Payment #7

Engineer Herdegen presented on this item as outlined in the January 15, 2015 City Council packet.

Councilman Lund - Why is that 2.5% more than the retainer?

Engineer Herdegen - There was additional payment quantities that had not been paid in previous requests that they are now requesting.

Councilman Lund - We're still holding \$82,000?

Engineer Herdegen - Yes and we will until we can verify the grass is grown.

Councilman Sumner - Are the new mailboxes in?

Engineer Herdegen - We replaced the post and reinstalled the existing mailbox if we could.

Motion by Geraghty, seconded by Rahm, to approve Partial Payment #7. With 5 Ayes, 0 Nays, the motion carried.

**15. SUPERINTENDENT OF PUBLIC WORKS REPORT -
A. Matt Yokiell, Asst. Supt. of Public Works**

Supt. Hanson introduced Matt Yokiell as the new Asst. Supt. of Public Works. Mr. Yokiell previously worked for the City of Hastings as an Engineering Technician. He has experience and knowledge in several different areas such as software, designing, and inspections.

Mayor Geraghty - Welcome to the City and I hope you enjoy the work.

Mr. Yokiell - Thank you for offering me this position. I've met most of the staff and I can't say anything negative about them. It's a great group of employees. I truly do look forward to working with you.

Councilman Sumner - How are we doing for water main breaks?

Supt. Hanson - We've had two so far and they went pretty well.

Councilman Sumner - How far down is the frost?

Supt. Hanson - We haven't seen those temps in the water yet. The original frost from November has already gone out.

Councilman Ingemann - Is there anything about fixing up Larry Lane from the water main break?

Engineer Herdegen - Yes, we'll work with the contractor. We didn't address the water main during the projects.

16. NEW/OLD BUSINESS

17. ADJOURNMENT

Motion by Ingemann, seconded by Sumner, to adjourn the regular Council Meeting at 6:50 P.M. With 5 Ayes, 0 Nays, the motion carried.

Signed: _____
Tim Geraghty, Mayor

Respectfully Submitted,

Renee Eisenbeisz
Executive Analyst