



**City of Newport
City Council Workshop Meeting Minutes
February 19, 2015**

1. ROLL CALL -

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

Council Absent –

Staff Present – Deb Hill, City Administrator; Renee Eisenbeisz, Executive Analyst; Fritz Knaak, City Attorney;

Staff Absent - Bruce Hanson, Superintendent of Public Works; Curt Montgomery, Police Chief; Steve Wiley, Fire Chief;

2. DISCUSSION REGARDING PAY STUDY

Councilman Ingemann - My thought is that this is a compensation study not an equity study.

Admin. Hill - You're correct. This idea first came up when we were going through negotiations with the unions. The city I worked for up north had one done and it clarified quite a bit. It's not a pay equity study, that just came along that we do possibly have some inequities within the City. This is purely a compensation study to figure out where the City wants to be in regards to compensation.

Councilman Ingemann - We are generous with benefits right now and that needs to be figured in. I know there's two different studies, one is equity and one is compensation.

Admin. Hill - I agree. The compensation study would take a look at the equity and address it within that by default. I've been an advocate for having the study done and see a lot of merit to it because we haven't had one done in some time. I know there's differences of opinion on this and whether or not we should do it now or later or not at all. We need to clarify where we're going on this.

Councilman Rahm - When the lady came to give her presentation, the only thing I thought that didn't go well was that she eluded to that there were inequities and I took offense to that and it got in the paper. I don't think it's true. I thought there was some value in what she had to offer in doing the job descriptions because those haven't been updated in a long time. I'm a little concerned that she jumped to that conclusion. She should have said that she needed to reserve judgment until she saw the data.

Councilman Lund - We need to be more careful with this. She was going to change the pay equity standard from the State standard to her standard. If we're going to change from the State standard which is the most commonly used standard there should be a reason it's not appropriate for us and there should be a reason that the new standard is appropriate for us. Absent that discussion, we need to stay with the State standard.

Councilman Rahm - My concern is that that cooled me on her. I wouldn't mind doing a compensation study but I want to hire a different company that I think will be less biased. She can do the job descriptions.

Admin. Hill - Springsted is the gold standard for compensation studies. I've heard that from too many to doubt that. They had asked for the pay equity reports for the last couple years and she said that there were a few questions on inequities and I agreed with that because that's what the last couple of reports said. That's why that was brought up. I think they do an upscale job of pay studies. I experienced one that they did in Cloquet.

Councilman Lund - I think it's fine for you to handle finding the best study. Having us vote on an issue where we're endorsing a new pay equity formula is concerning if the differences between the formulas is not discussed. I don't have a problem with the compensation study. I have a problem with the Council being asked to vote on endorsing a new pay equity standard different than the State formula. That's what they had in there and how the law works. You can use the State formula, a third-party formula, your own formula, or another city's formula. If we endorse a formula and don't like the results then that looks bad. If we're going to switch, we need a good reason for it.

Admin. Hill - I'd like input on the point system we have. Are the points correct? Some of the jobs are very clear. Public Works gets a little hairy because our guys do everything and same with Administration. It's hard to judge in the State standard. That's where they judge the equity of what you pay them versus their points.

Councilman Lund - They were going to use a different formula.

Admin. Hill - That won't change our equity reports.

Councilman Lund - If we endorse her standard and don't like the results it's too late.

Executive Analyst Eisenbeisz - We still need to use the State system to report.

Admin. Hill - There's a couple of different point systems.

Councilman Lund - The law says that we can pick which formula we use and I don't want to pick hers unless there's a good reason for it.

Admin. Hill - What we're really looking for is a compensation study.

Councilman Lund - That sounds fine.

Mayor Geraghty - We might want to get other proposals.

Councilman Rahm - I just have that question in mind.

Admin. Hill - I've contacted another group but haven't gotten something in writing.

Councilman Lund - If you say she's the best and she can use the State standard or not do the pay equity part I think that would be better. I'd like to see why hers is better.

Councilman Rahm - She came up with conclusions before having any data and that's concerning to me.

Admin. Hill - There were some red flags and it looked like there were some issues.

Councilman Rahm - I'm ok with a compensation study at this time, it's just who do you want to do it from.

Attorney Knaak - I know one other city has put out an RFP for a compensation study in the latest LMC publication. That is an avenue that you could go down. If I could respond a little bit to what Councilman Lund is saying, somewhere in the back of your mind you're wondering if changing standards could result in some liability and the answer is yes. While there's no harm in doing it, once you do it, anything that's found can and is used against you if there's subsequent litigation. I see that in 1992, I gave the comparable worth law in length. You do one of these things and you are stuck. The path of least resistance that most cities have taken is the State standard. It's the safe harbor that everyone has. If someone is proposing a different standard, there might be justifications for doing it but once you adopt it, you are held to it.

Admin. Hill - I'm just looking for some direction on whether or not this goes on an agenda or wait until next year.

Councilman Sumner - I saw in the example that they evaluated multiple cities. Are we forced to just use cities or can we

look at the private sector too?

Attorney Knaak - The closer you get to your own circumstances the better meaning that other cities will be more likely to have similar positions. It depends on the nature and function of the job being studied.

Councilman Sumner - I think certain jobs have both private and public comparables and I would hate for us not to take that into consideration.

Admin. Hill - I think that was part of it.

Councilman Lund - It might be difficult to compare benefits regarding retention and pensions.

Councilman Rahm - When you talk about different cities, there are different sizes. We're a \$3 million city. I don't want to be below the curve, I don't think we can afford the top end either. There's a size thing that we can afford and we have to stay within those limits.

Admin. Hill - They take our budget into account.

Councilman Rahm - I plugged into the City Administrator, Police Chief, and Public Works Supt. on payscale.com and it came up with salary ranges.

Mayor Geraghty - I would think the League has a ton of information on this.

Councilman Sumner - Yes, and it's public information so we could do at least 50% of this ourselves.

Mayor Geraghty - I think we want to have a third party do it.

Councilman Rahm - I think there's value in that but I'm concerned with her because she seems biased.

Councilman Sumner - It's \$8,000 to assemble information that is out there.

Councilman Rahm - I liked that she was going to update our job descriptions. If I could, I'd have her do the job descriptions and someone else do the compensation study.

Mayor Geraghty - The employee should do that.

Councilman Rahm - I agree but sometimes you get behind and they'll be able to update them.

Mayor Geraghty - The other cities, are they advertising for an RFP for a compensation study?

Attorney Knaak - I believe so.

Admin. Hill - Is that a route you want to go?

Mayor Geraghty - I think we're in agreement that we want to proceed, the question is if we want to bid it out. I assume Springsted will still come in at \$8,000.

Admin. Hill - I called a couple and will be receiving a second quote next week.

Councilman Rahm - I think we have a pretty good idea of what Springsted provides.

Mayor Geraghty - Put it on a future agenda and we'll discuss it and vote on if we want to do a RFP or move forward.

Councilman Sumner - Is there a cost to advertising a RFP with the League?

Admin. Hill - I don't know.

Mayor Geraghty - I'd like to see the specs on the RFP and we could always pick six companies and send it to them.

Admin. Hill - Do you want more quotes?

Mayor Geraghty - No, I'd like it on the agenda to vote on.

Councilman Rahm - Deb could have done this with her spending authority but she brought it to the Council and we've dilly-dallied about it. I'm glad you brought it to us because it's an issue we should know about.

Admin. Hill - I wanted your opinion on it.

3. DISCUSSION REGARDING STRATEGIC PLAN

Admin. Hill - I have some dates from Dave for the Strategic Plan review. I have April 6, 7, 9, 14, or 15.

Councilman Rahm - Any time works for me.

Councilman Ingemann - I'm open.

Councilman Sumner - I might be out of town and might know by the next meeting.

Mayor Geraghty - I'm open.

Councilman Lund - I'm open.

Admin. Hill - Ok, we'll get it on the schedule by the next meeting. If there's anything you want to discuss specifically, please let me know.

4. DISCUSSION REGARDING SOLID WASTE MANAGEMENT ORDINANCE AMENDMENTS

Executive Analyst Eisenbeisz presented on this as outlined in the February 19, 2015 workshop packet. The City Council does not want to move forward with the amendments.

5. ADJOURNMENT

Signed: _____
Tim Geraghty, Mayor

Respectfully Submitted,

Renee Eisenbeisz
Executive Analyst