

**Lewiston City Council**  
**Special Council Meeting Minutes-REVISED**  
**September 17, 2020**  
**Lewiston City Hall – 6:00 P.M.**

**1. Call to Order**

Electronic City Council Meeting called to order by Mayor Beth Carlson at 6:00 pm September 17, 2020.

**2. Roll Call**

Present (5): Mayor Beth Carlson, Councilor Dan Robertson, Councilor Carol Boynton, Councilor Niles Lavey and Councilor Larry Rupprecht. Not Present (0).

Others present: City Administrator/Clerk Cheryl Knight, Ambulance Director Matt Essig, Police Chief Scott Chief Yeiter, Public Works Director Curt Benter, Polly Calhoun (reporter), and Karina Patino and Chelsea Bodin of Flaherty & Hood (F&H).

**3. Discussion topic: Flaherty & Hood Wage Study**

Mayor Carlson had a question about the nonpublic data and wondered if it could be talked about in the open meeting. Karina Patino introduced Chelsea Bodin from Flaherty & Hood. Ms. Bodin is a labor and employment attorney at Flaherty & Hood. She was on the call to clarify the nonpublic data question and answer questions that anyone had.

Ms. Bodin started by mentioning the open meeting law and the MN Data Practices Act, how they are separate statutes and yet how they work together, and to clarify when you have nonpublic data, like the attachments to the wage report, the public report and the nonpublic portion. Under the open meeting law, you are able to discuss nonpublic data or private data, if it is reasonably necessary to conduct the agenda item for city business. This means that anything that is in the nonpublic report that you received can be talked about and just by talking about it does not change the classification of that data. The open meeting law clarifies that even though the nonpublic data is discussed, it still retains its classification as nonpublic data. Generally, with some exceptions, whatever you have for an electronically recorded meeting –that reporting itself will generally be public. The reporting is potentially public, but that does not change the document itself, the nonpublic document would still remain nonpublic.

If and when the nonpublic report might become public: Bodin's answer was that it could become public 1. if and when portions of what's included in that nonpublic attachment are implemented and adopted by the City. That doesn't mean that the documents become public, but if you adopt a

new wage schedule or base pay schedule, the items within that would then be public to the extent that you adopted it. Or 2. Attorney-client privilege, which is one of the primary reasons why the nonpublic report is nonpublic-because it was rendered based on a request for legal advice or a work product from the firm. Attorney-client privilege belongs to the client, not to the attorney. It could potentially become public if City Council collectively decided to waive privilege on the nonpublic portions of the document. That doesn't typically happen, but technically City Council can waive privilege on certain pieces of legal advice from us or any attorney.

Councilor Lavey asked: "So we can talk about the information in here is the short answer?" Bodin replied: the short answer is yes, there's no reason why you can't talk about it, and it doesn't change it to being public data all of a sudden just because you talked about it. The only caveat she made was to not get too detailed because the recording would be public. Sometimes questions or issues come up that Council feels more appropriately to get through an attorney-client privilege memorandum, and they are happy to provide that as well.

City Administrator/Clerk Cheryl Knight stated that she had made a comment to Karina Patino to quickly summarize the discussion about what created this study, what we need to decide in order to implement and/or discuss the market study, and then perhaps answer questions.

Patino discussed the next step is the actual implementation. They (Flaherty & Hood) need direction from City Council on each of the study's components, which includes the proposed base pay structures and the recommendations for implementation, attachments D and E of the report. After direction is received on the preferred implementation option of these structures or additional modifications to these base pay structures; once finalized, management will meet with employees, using F&H spreadsheets providing individual employee information, their existing base wage and where they are placed on the structures through 2023. Once these meetings are completed, F&H would draft the Resolution to approve the proposed base pay structures and the updated classification and compensation plan. The plan would provide the City with an outline on how the City should handle updating base pay structures, evaluation points and drafting updated job descriptions post-study. As discussed in the prior meeting, the market study is an option for the City to assess comparable data which can be performed. If a market study is performed, F&H will use that market data to perform the updated analysis which will change the figures in the base pay structures.

Mayor Carlson had a question on page 9 of the PDF: the current and proposed job evaluation points had quite a difference. Where did the 2020 current job evaluation points come from? Those are existing points that the City used to report positions to MN Management and Budget for pay

equity compliance. They are pre-study, and pre-F&H, and were developed by using the MN State Job Match. Different systems use different point systems. The F&H points are based on the MN pay equity factors: skill, effort, responsibility and working conditions. Previous to F&H, the City used the MN State Job Match document to try to match the City job description to the State Job Match document-and what points it lists, is what you use, and it's not reliable. F&H reviewed the essential job functions to determine the level of responsibility, decision making, working conditions, experience level and education level. The job analysis questionnaire was used by F&H to evaluation the positions after being reviewed by management-any lower level supervisors and the administrator. Knight stated there were conversations in Personnel meetings among the staff and the two Council members and the City Administrator evaluating these points and about half a dozen adjustments were made and agreed upon and returned to F&H. Each of the specific job analysis questionnaires was not reviewed. Council members were given feedback questionnaires to return to F&H, and were completed by Councilor Robertson, Mayor Carlson, and Councilor Boynton. Patino stated that these specific questionnaires were not relied upon to prepare the job evaluation points or any additional analysis. It was feedback from the current Council members only. Councilor Rupprecht made mention that he returned this feedback questionnaire also. Councilor Lavey asked if we wanted to adopt the current step system, and all the employees are overpaid, what happens then? The employee is placed on the base pay structure according to their positions grade, on the step that is closest to-but not less than-their current wage. If the employee's current wage is above a step 7, then they are placed at step 7 at their current wage, until they are caught up on the scale. However, based on current discussion with management, they could receive a lump sum payment for any increase to the steps. Step increases would occur on their anniversary date. There are financial implications listed in Attachment E to be considered, with other options that can be considered if the proposed implementation plan is unaffordable to the City.

Mayor Carlson went to PDF page 12: there are currently seven steps, there is a possibility of ten steps, with will give a lesser percentage amount between them. The notes to these structures indicated the step placement is at the discretion of the City Administrator, in actuality it comes to the City Council at the recommendation of the City Administrator-this wording can be revised.

PDF Page 14: Information already covered-if pay is past grade 7, how is it dealt with.

Police Chief Yeiter asked what the basis was for determining the pay scale that is being looked at? What set that? Is there a dataset? A comparison group? With formal approval from each Council member, (5-0) Patino stated the base pay structures are developed using a regression analysis,

which uses two data points: the current points for each position and the existing pay. Those two points gave the predicted pay point, which was used to create the base pay structures. Chief Yeiter followed up with: so, if the base pay structure currently does not meet market, the entire scale is off? Knight stated that was correct, and that is why there is the option to conduct the market study, which will then compare the existing salaries to those in the marketplace.

Councilor Lavey asked if the current F&H study and current system proposed would make us compliant with the state rule regarding employment? Patino stated they tested these proposed base pay structures and the City would be compliant with the MN pay equity law. Chief Yeiter asked if the City was ever out of compliance? Knight stated that something that may be skewing the pay equity results is that within the document there is data requested for the minimum pay, and maximum pay for each position. They are always equal to the current pay, and that is how she answered the 2019 report. There were no errors noted. These reports are due every three years. Mayor Carlson also commented that in 2016 study, the City had the CEDA contract for the city office personnel, and some of the positions now were not included then. Councilor Lavey asked if it's common for the City's financial advisor to review the step system to determine if it's feasible? Knight started to answer, but Councilor Lavey interrupted and wanted F&H to answer. Patino stated the decision is totally up to the City. Chief Yeiter stated the city is listed in the 2020 list of compliant cities with pay equity.

Mayor Carlson asked what would happen if the City Administrator position were no longer a supervisor over the department heads, and became a department head-how would that reflect on the point system? Patino stated the level of responsibility would change, and that would be a change to the position's potential points. However, just because there are changing points, the potential grade might not change.

Patino went on to describe the market study aspect. Because of only 7 positions, market data would be requested for all 7 positions. Any specific entities could be requested. The cluster analysis would determine who is closest to the city, and then a market survey workbook is created asking for wage and benefit data. The survey will then be sent out to comparable entities. When returned, the detailed summary analysis will show each position in the market, and F&H will recalculate the proposed base pay structures. This would take anywhere from 1-2 months, as reliance is on these comparable entities to provide the requested data timely to F&H. The cost of the market study would be \$3,000.

Councilor Lavey asked on page 7 of the nonpublic report: in simple terms, if an employee is making more than the predicted pay, yes or no would the employee lose money? Patino answered

no. Knight said she wanted to lobby for the market study, as the City would know the competitive salaries in the area for each position. This potential pay could then be possibly adopted by the City. It is expensive to teach and train employees and have them leave, as their knowledge also leaves with them. There is a benefit to make sure the pay is in line with competitors. Mayor Carlson stated, to her, an advantage to having this system in place is so that there is guidance as to how to pay new employees, as it is currently always a guessing game, and help to ensure in the future we stay in compliance with pay equity. It would simplify certain things that have been a struggle for many years. Councilor Lavey asked if this is a contract that we are legally bound by? Mayor Carlson said that this would need a resolution to bring this into play, and at a later time, it can be disposed of in the same way. There are ways to build a plan to work ourselves into this plan. There were options that she had previously been unaware of. It would also help employees to understand where they are going pay-wise. Mayor Carlson stated she would rather see more steps than just seven. Patino stated that F&H can update the proposed pay structures to 10 or 11 steps, and a phased-in implementation. Mayor Carlson also verified that with this report, post-study, the City will receive the product to continue to use to maintain the system. This will eliminate a lot of the guesswork going forward and will help keep us in pay equity compliance.

Mayor Carlson and Administrator Knight thanked Karina Patino and Chelsea Bodin for attending the meeting tonight.

#### **4. Discussion topic: Budget**

Mayor Carlson asked if there was a separate sheet within the workbook that detailed the wages? Knight answered yes, but it was within the workbook. Mayor Carlson said to open up the discussion first. There was a 10% wage increase workbook, then a 5% workbook, then 10% plus a \$3 probationary increase workbook. Knight stated there was not a 5% plus a \$3 probationary raise workbook sent out yet, but it could be sent out.

Councilor Robertson wondered what the total dollar amount would be added to the budget for the wage study? Knight stated that she would use the F&H 2021 proposed grid to update the workbook for everyone's wage. Knight pulled up the wage/health/comp sheet to show Council what she uses to populate the Excel budget.

Mayor asked what makes up the annualized wage on p16 of nonpublic for 2020? What does it all include as it is different from the Excel workbook Knight prepared? Knight will question F&H. Knight asked if the workbook should be populated using the F&H data? Should the steps be changed from 7 to 11? Are we going to go forward with the market study?

Mayor Carlson mentioned putting the current year's wages into the LMC database? Knight stated that the 2019 wage data was in.

Councilor Robertson wondered if the 5 or 10% workbook is comparable to the proposed wage study? Knight can plug in the F&H proposed wage values for 2021 so councilors have something to compare to for the next meeting.

Councilor Lavey wondered if we don't get the market study done, we have the chance to implement this for January 2021. If we get the market study done, we have to wait until December, and perhaps implement it in the next year? Knight stated we could still implement it, but there might not be enough money everywhere for it. If not, then the question is how much do we have for salaries, and how much could we move employees into the grid?

Mayor Carlson asked how much was put into cap improvement last year? From \$85,000 to \$127,000 and was trying to remember what Mike Bubany's desired amount per year was. Knight stated that when Council requested the street report for this past year, as it was unbudgeted, she took it from the capital improvement plan.

Chief Yeiter stated that the last document he had found was Mike Bubany's from May 2019, in which he was anticipating \$97,500 each year going into CIP.

Councilor Lavey wanted to see if the wage implementation would fit in with the 5% or if it needed the 10%.

Chief Yeiter stated there were a lot of numbers thrown around for raises for probationary employees, which he doesn't think would be equitable to other employees who had been here longer, and if that were to happen, he would advocate that his budget would need to go up to adjust accordingly, and it kind of depends on where we land on that discussion. Knight stated that is exactly why we need the wage study done and implemented-so we know where that will go.

Mayor Carlson said that we will either go into next year continuing to do what we have been doing, or if we decide to implement the wage study, it will change how we do things. It's not that we give a \$2 raise upon probation, but we look at the step system. If we add the wage information into the current budget, what does it do? She needs more information before she can figure out which direction to go. Knight will start sending stuff out as its ready. Knight stated next week's Council meeting is at 5:30-already posted, and the budget meeting is posted as a special meeting.

Councilor Boynton motioned to adjourn the special City Council meeting. Seconded by Councilor Lavey. Approved 5-0.

The Council Meeting was adjourned at approximately 7:57 pm on September 17, 2020.

Submitted By:  
Cheryl A. Knight  
City Administrator/Clerk