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**Subcommittee on Employee Relations – Work Group  
Meeting Summary  
Legislative Coordinating Commission  
Friday, July 16, 2004  
10:00 a.m.  
Room 112 State Capitol**

Present:

Sen. Linda Scheid

Sen. Steve Kelley

Sen. Betsy Wergin

Ardell Brede – Mayor of Rochester

Keith Carlson – Executive Director, Metropolitan Inter-County Association

Curt Yoakum – Policy Analyst, Association of Minnesota Counties

Jill Pettis – Compensation Manager, Department of Employee Relations

Tom Hedges – City Administrator, City of Eagan

Tom Goodwin – Member of the Apple Valley City Council

**Introductions**

Senator Scheid called the informal work group meeting to order at 10:15 a.m. Sen. Scheid introduced herself, Mr. Greg Hubinger, Director of the LCC, and staff, Ms. Sandy Keene. Introductions were made around the table.

**Review Legislation**

Mr. Hubinger reviewed S.F. 2703, Chapter 207; legislation passed during the 2004 legislative session charging the Subcommittee on Employee Relations to study and report to the Legislature by January 15, 2005, regarding the compensation limit.

**Discuss Study Goals and Issues**

Sen. Scheid asked for other aspects that should be discussed. Mr. Keith Carlson suggested that the working group consider both the explicit salary cap as well as the cap for purposes of pension administration. Mr. Hubinger suggested looking at the impact of the Governor's salary, which has not changed since 1998.

**Review December 2000 Report**

Mr. Hubinger reviewed the December 12, 2000, report; A Review of the 95% Salary Cap. The History, starting on page 2 of the report, shows that the salary caps in Minnesota began in 1977. Legislation to repeal the cap was considered in 2001, passing the Senate but failing on the House floor. During the 2004 session, a bill was also introduced that would have repealed the cap. It failed in committee in the House and passed committee in the Senate but was not taken up on the Senate floor.

**Salary Surveys**

Several surveys of salaries and benefits paid to local government employees have been completed or are nearing completion. Reports on the status of those surveys were provided by:

Metropolitan area: Gene Ranieri, Association of Metropolitan Municipalities  
 Greater Minnesota: Laura Offerdahl, League of Minnesota Cities  
 Counties: Keith Carlson, Minnesota Inter-County Association  
 International City/County Management Association: Laura Offerdahl

**Handouts:**

LMC – 2003 City Chief Administrative Officer Comparative Salary Information  
 AMC – Aggregate Salary Survey Results; Salary Comparisons – National Comparisons  
 Personnel Decisions International – Salary Cap Effects Memo  
 Ramsey County Waiver Requests/Salary Comparisons  
 Recent Comparable Job Postings – International City/County Management Assoc.  
 MICA – Effect of Salary Cap on Selected Counties and Positions  
 Overview of 2004 Twin Cities Metropolitan Area Salary Survey  
 2004 Twin Cities Metropolitan Area Compensation Survey

Guest speakers stood for questions. Discussions included the migration of employees and students from public sector to nonprofits. Mr. Goodwin suggested it would be useful for the work group to have the schedule of salaries for nonprofits.

Mr. Carlson suggested the work group also take a look at the contradictory effect of the salary cap vis-a-vis the state pay equity law.

Senator Scheid thought it might be helpful to hear from professionals who do executive searches. Mr. Ranieri said that he could provide a list of professionals. Ms. Offerdahl recommended also consulting with the people who do compensation plans with cities and counties.

Senator Kelley suggested inviting proponents of the salary cap to the next meeting. Senator Gaither reiterated the idea to take a look at the Governor's salary, which has remained at \$120,000 since 1998.

The next meeting will be held within the next month, probably on a Friday. Senator Scheid thanked everyone for participating in the work group meeting. She mentioned that it would be helpful to have the information regarding public/private salary comparisons and she would also appreciate an analysis on the pay equity versus salary cap issue. Senator Scheid stated that it would also be helpful for the work group to see the nonprofit schedule of salaries that was discussed.

There being no further business, the work group adjourned at 11:55 a.m.