

**WORKSHOP MEETING  
OF THE COUNCIL OF THE  
CITY OF VADNAIS HEIGHTS  
SEPTEMBER 7, 2021**

The workshop meeting of the Council of the City of Vadnais Heights was held on the above date and called to order by Mayor Gunderson at 5:30 p.m.

The following members were present: Mayor Gunderson, and Council Members Greg Urban, Patricia Youker, Steve Rogers and Erik Goebel. The following member was absent: None.

Also present were: City Administrator, Kevin Watson; Planning/Community Development Director, Nolan Wall; Finance Director, Bob Sundberg; Assistant City Administrator, Tim Sandvik; City Engineer/Public Works Director, Jesse Farrell; Fire Chief Chris Hearden; and Deputy Clerk, Peggy Aho.

At 5:30 p.m., Mayor Gunderson opened the meeting.

**1. Update on 2022 Budget**

Finance Director Sundberg reviewed the memo presented in the packet.

Mayor Gunderson asked the Council Members if they would like to add or remove anything from the draft Budget. Council Member Urban asked about the three full-time positions that are being proposed to be added. Sundberg replied that they are an Assistant Fire Chief, Civil Engineer Technician, and a Public Works Supervisor. Watson noted that the Assistant Fire Chief replaced a tech. Actually, the tech position was backfilled; this is a new position. Urban said there is also another half position on the Workshop agenda for discussion. Watson said that this is a job share opportunity which was presented to the City by White Bear Township. Urban said we've had an increase in residents in the City but he doesn't like the proposed budget and the levy amount staff are proposing, but he doesn't see much waste. Gunderson said she agrees, but she doesn't see anything that is not needed. Council Member Goebel said that right sizing of staff is the right thing to do, it may be a big jump but he thinks the budget looks about right. Council Member Rogers said that with the Compensation Study we are okay but aren't where we should be as seen in the Comp Study.

Watson said the Council will be presented with a third party analysis of the salary Compensation Study. In that they will make a proposal on how to catch up some of those positions to the market rate. Watson said we have accounted for a little bit of the Compensation Study in our budget proposal but certainly not all of it. Sundberg said they budgeted a 3.5 percent increase; 2.5% is for the COLA as previously negotiated by the union, 1.0% is for a contingency to address the results of the Compensation Study if so desired by Council.

Council Member Youker asked if this budget includes the extra full-time employee for public works. Sundberg replied yes and said that he added all three of the new positions. Gunderson asked if we went from a 13.13% to a 10% it would result in about \$2 a month. She said we talk about how we are the lowest tax rate of a city that doesn't receive LGA but in the reality it's starting to show, our infrastructure and equipment is ageing. She said this is probably a rights size budget.

Sundberg said we also get bit because of the fiscal disparities distribution. We lost about \$3.5 million of tax capacity in 2022 and then received about \$500,000 back in the form of actual levy dollars. Based on the distributions for 2022, the City is worse off by about \$400,000 in terms of its levy.

Rogers said that the goal we talked about is that we would have an increase but it would be balanced. He asked if we are getting on track to having a more even spread so we don't see big peaks and valleys. Sundberg said we wouldn't need this increase for multiple years, it's a catch up. Urban said that it is important that we note that last year we didn't have any increase due to the pandemic, and we need to have a messaging process that we are catching up from inflation the last two years. Gunderson agreed.

Goebel asked if we set an amount not-to-exceed to be higher than we are expecting so if we came in asking for less it would look better. Watson we wouldn't get those points out, if we decrease after the number is set. Gunderson said she would rather be transparent. This is a not-to-exceed, we just can't exceed the amount. Rogers said this is what it costs to run the City and we are being responsible by setting this number.

Youker asked if there are any other large purchases coming in future years. Fire Chief Harden said the ladder truck is proposed for 2025. Watson said that they hope this year's increase would build in the capacity and right size us for the coming years.

Gunderson said that we will set the maximum levy at the next Council meeting. She said it sounds like we're comfortable with the amount and if Council Members want to propose reductions, let staff know before the next meeting.

## **2. Compensation Study Discussion**

Assistant City Administrator Sandvik introduced Leah Davis from Abdo who reviewed the Salary Compensation Study, prepared by them for the City. Sandvik recapped the process which began in May. Davis talked about the work that went into the scope of the Study and reviewed the pointing and the compensation. She noted that they worked with City leadership to do a full update on all the job descriptions and these were used as the basis for the Study. She said that the next phase was to work with leadership to do a scoring methodology for each position.

She then reviewed the scoring methodology that was used and which cities they compared Vadnais Heights with. She said the next step was the market analysis, and who to compare with. She said their goal was to develop a compensation plan for the City that would take into account position scoring to align the grades and the grades are meant to

be established to keep the positions in alignment with the market. She reviewed Table 4, Step and Grade Table and said that they added two additional grade levels. She said that the City is close to where the market is on minimum pay (about 2.7% above the market minimum) and 2% below the market on average for the maximum pay. She said the increase from step to step is about 3% which is up a little from the current step increase and this gets the City more in line with the market. She then reviewed Table 5 which gives an idea where it puts each position.

Davis said that the next conversation would be how to implement the results of the Study and how that would look. She said that the first Phase is to get the people on the table and that happens by taking every person in every position and put them in the step within their grade without going under their current pay rate. Davis said that would cost the City about \$28,500 which is an annualized rate and does not include any benefits. She said the City could do Phase 1 now and then Phase 2 on January 1 with an adopted COLA and then Phase 3 would be to move staff that are currently at step 9 but placed on step 8 may be eligible for an additional step.

Mayor Gunderson said looking at the benefits, it looks like we are competitive with our benefits compared to our peer group and asked if this fact is factor into the numbers. Davis replied it does not because there is not real math to the value of benefits. She said knowing what your employees value is what the City should focus its energy on. She said you should be close to the market on wage and then promote the benefits.

Gunderson we are not obligated to do anything because we don't have a huge discrepancy from our peer cities because we've done this Study. Davis replied no, they are not obligated and there is no compliance issues.

Council Member Rogers asked how long this information will be relevant. Davis said at least through 2021 because cities aren't changing their rates mid-year. Davis said that they recommend adopting the updated point assignments and job descriptions. She said that the best practice for job descriptions is to update them every 4 to 5 years, position by position. She said if the City is going to repost a position that would be a good time to update the job descriptions.

The Council discussed the item and said they would like to have additional time to digest the information in the Study. City Administrator Watson said we can bring this item back later for additional discussion at a future Workshop. Watson said this is good information to have, and we can probably make some adjustments based on it. Sandvik said he and Watson can sit down and make a prioritized list for recommendations over time. He said he would like to the Council to move forward and adopt the job descriptions and point assignments.

Gunderson and Goebel both said we should take action to adopt the job descriptions.

### **3. Kohler Road Task Force Update**

Assistant City Administrator Sandvik said that the County has reached out to the City regarding participating in a safe route to school grant application. He said if the Council wants to pursue this partnership, it would need to do a letter of support, and then would have to look at how to show formal recognition of dedication to pedestrian friendly facilities.

Council Member Goebel asked what the cost sharing would be. Sandvik said we do not have a number at this point.

Council Member Youker asked if there is any disadvantage to not partnering with the County. Sandvik said the strongest applicant would be the County, it is a County road and we are really bringing partners together. He said that the County is working on a survey and working on a letter to the policymakers. Mayor Gunderson said she would support signing on. All other Council Members agreed. Sandvik said he will bring this back when more information is available.

#### **4. Shared Planner Position**

Planning/Community Development Director Wall said that this request is an opportunity based request from White Bear Lake Township for a job shared position. The Township's planner retired this year and they are analyzing what they want to do. They have identified the need to have a person in the organization to do entry level day to day activities on a part time capacity, so they presented it to us, to potentially share a position. About \$40,000 annually.

Council Member Urban said we are certainly very lucky to have you here. Urban for as far back as he can remember he can't remember a time when we had so much development, but short of some parts of the City Center district, we are running out of land to develop, and he said he is not sure the same level of development will continue in the City. He is also concerned about the sharing of an employee. Wall said there would be benefits to having this person. He said he sees the City benefiting more than the Township.

Council Member Goebel said that he views this as buying Walls time at a lower cost to the City. He views it as a potentially good thing for the City. Mayor Gunderson said that she would agree with that.

City Administrator Watson sees this position as adding time for Wall. Wall said the City would have a JPA with the Township that would have requirements but he would manage the person. Urban said he doesn't like the idea and said that he would rather have a full-time employee rather than part time. Council Member Youker said she agrees.

Urban asked that the Council have a short discussion at the next Workshop to prepare for the budget meeting.

The meeting adjourned at 7:04 p.m.