

***ANDOVER CITY COUNCIL WORKSHOP MEETING – OCTOBER 17, 2023
MINUTES***

The Workshop Meeting of the Andover City Council was called to order by Mayor Bukkila, October 17, 2023, 6:00 p.m., at the Andover City Hall, 1685 Crosstown Boulevard NW, Andover, Minnesota.

Councilmembers present: Jaime Barthel, Rick Engelhardt, and Randy Nelson

Councilmembers absent: Ted Butler

Also present: City Administrator, Jim Dickinson
Human Resources Manager, Dana Makinen

2024 BUDGET DEVELOPMENT DISCUSSION/FOCUS ON STAFFING

The City Council is requested to receive the presentation and provide direction to Staff.

Mr. Dickinson reviewed the presentation on Staffing and Staff retention goals for 2024. He shared that the health insurance renewal premium will likely decrease.

Councilmember Nelson asked how many full-time employees the City has. Ms. Makinen said 63 and 52 who opt-in for the insurance package.

Mr. Dickinson shared that they are targeting to be at 90% of the market. He reviewed the positions that are requested to have a pay increase. He noted many of the mid-level and management positions are currently not at risk for turnover. He stated they will allocate resources and retain some dollars of what is requested to address future items. He reviewed the requested reclassifications for two positions.

Councilmember Nelson asked if they are picking away at the gap between the union and the non-union workers. Mayor Bukkila stated they are trying to close the gap between the comparable job classifications. She explained as for a cost-of-living increase, this increases both union and non-union wages at the same level. She noted not all government positions have comparables in the private sector.

Mr. Dickinson stated the union contract has already been approved at a \$1.75 an hour market rate adjustment and a 3% increase over the next two years. He noted this would match these union workers up externally to other similar jobs out there. He added they have other more frontline workers that are non-union which would create an internal equity issue. He stated they need to

keep pace with wages internally as well as looking externally.

Mayor Bukkila noted some salaries are more competitive than others as the positions that have high turnover rates will see more of an increase to close the gap on certain positions.

Mr. Dickinson reviewed the succession plan for the two positions in administration and finance, the Deputy City Clerk and the Accountant position. He shared that they are requesting to reclassify the Accountant position to an Assistant Finance Manager which would give this role a broader range and a pay increase. He noted they need to address this position as it is a competitive position. He stated he currently holds many roles for the City, including City Administrator, Treasurer, and City Clerk. He stated this would reclassify and increase the salary to make this position more competitive. He noted when he retires, the City will likely not be able to find someone who is willing to take on all of his roles; however, they would be able to find someone who would be willing to take on the City Administrator specific role. He stated his role needs to get back to just a City Administrator role before he retires, and someone is needed to fill his multiply roles. He shared that the market adjustment that they are proposing for all of the frontline workers is \$1.75 an hour increase to deal with internal equity, as well as a 3% COLA increase for all non-union positions. He discussed the longevity of Staff in the City and shared that over 50% of Staff have been with the City for over 10 years.

Councilmember Nelson noted this speaks volumes for the culture of the City.

Mr. Dickinson stated having this many people in longevity also shows the reason that they need to be competitive so that when they have to fill these positions, they are able to do so.

Councilmember Engelhardt noted this also has to do with the cross-training portion of the succession planning.

Mayor Bukkila asked if the reclassifications would be immediate and the wages would increase right away. Mr. Dickinson stated this would happen at the beginning of 2024. He said these would go through with the 2024 budget approval.

Mayor Bukkila asked how many positions they would be looking at adjusting in 2025. Mr. Dickinson stated some positions may not fall out of the market within the next year.

Ms. Makinen added she will do another market analysis next year to see where they are at in terms of the market. She stated there are so many factors that can change over this time.

Mayor Bukkila noted the Assistant Fire Chief position is lower than it should be based on the market. Ms. Makinen stated the Assistant Fire Chief is on the current list to get a market increase.

Ms. Makinen explained the Deputy City Clerk and Accountant positions are the only two complete reclassifications, not market rate adjustments. She stated the other positions are market rate increases.

Mayor Bukkila asked if they are only proposing the \$1.75 increase for the positions on the list, not the entire workforce. Ms. Makinen said yes.

Mr. Dickinson noted some of the other departments have had increases of their own, such as the building and engineering departments that recently got a lift.

Ms. Makinen explained some of the positions that are currently very low will have pay steps to increase them as they are within the salary step program. She noted the Assistant City Engineer and Deputy Fire Chief are already at the top of their steps and do not have steps to go to anymore so the only adjustment they have is a market adjustment. She stated the reason she does not adjust the whole range is compression. She noted if she raises the Assistant City Engineer's salary, she would also have to raise the City Engineer's salary as well as other staff's salaries.

Mayor Bukkila noted if a position is at the top of its range and there is a market adjustment then the range should move with it. Ms. Makinen stated that it will.

Mayor Bukkila asked if they are seeing the appropriate number of steps for these job classifications to get to the top pay. Ms. Makinen said yes. She explained they have five and a half steps with 3% between the steps. She noted they get people to the top of their position quicker than most cities in the area.

Mr. Dickinson noted when they get people to the top of their position they tend to stay with the City, reflected by the longevity of our staff.

Mayor Bukkila added there were some positions that they added steps to due to where they were and increasing the top range for these positions. She stated she wanted to ensure it was not taking forever for someone to get to the top of their position.

Mayor Bukkila shared that she is comfortable with what was presented.

Mr. Dickinson added they will set aside some dollars to cover issues as they could pop up. He shared that they would discuss the budget again at the next workshop meeting and will review some budget saving options that are out there, including health insurance.

Mayor Bukkila asked if the total cost impact of these decisions is around \$140,000. Mr. Dickinson said yes and explained that this already includes the union contract that was already approved.

Mayor Bukkila stated it is a big deal to be able to do this as a part of the 6% levy increase.

Council consensus was reached to direct staff to move forward with these staffing updates.

OTHER TOPICS

Councilmember Barthel stated he would be interested to see what Andover Councilmembers are

paid in comparison to other cities. Ms. Makinen stated she can look into this.

ADJOURNMENT

Motion by Barthel, Seconded by Nelson, to adjourn. Motion carried unanimously. The workshop meeting adjourned at 6:30 p.m.

Respectfully submitted,

Ava Rokosz, Recording Secretary