



Legislative Coordinating Commission

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COMPENSATION COUNCIL Meeting Minutes Tuesday, March 27, 2007 Room 500 North, State Office Building Chair: Craig Shaver

Present: Craig Shaver
Michael Christenson
Stan Durda
Ezell Jones
Kathleen Meyerle
Jon Staebler
John Stanoch
Tom Swain
Rep. Ron Erhardt
Rep. Joe Atkins
Senator Paul Koering
Senator Ron Latz

Excused: Joseph Leek
Paula Laidig Hemer
Rep. Tom Rukavina
Senator Mee Moua

Chair Craig Shaver called the meeting to order at 4:05 p.m.

Jon Staebler moved approval of the minutes from the March 14, 2007, meeting. Seconded and **APPROVED**.

Mr. Shaver asked for public testimony. There being none, the council discussed recommendations to the legislature. Mr. Shaver reviewed the process of compiling the information and member input that went into the draft recommendation document. He also reviewed the 2005 Compensation Council recommendations.

Kathleen Meyerle raised the question regarding members being able to have a final review of the recommendations before being sent to House and Senate leadership. Mr. Shaver requested staff to email final draft to council members for a quick review and final approval. He reminded members that time is crucial due to the schedules in the House and Senate.

Mr. Staebler asked if any reports were available showing the calculations of the impact of any salary increases recommended by the council. Greg Hubinger, LCCC staff, indicated that information was not available due to the short turn around time.

Representative Erhardt requested information regarding a compression report for the Department of Transportation (DOT). Greg Hubinger, Director of the Legislative Coordinating Commission, indicated that he had contacted the Department of Employee Relations (DOER). DOER reported that there were approximately 83 state employees at or near the salary of agency heads and 7 or 11 of those were at DOT. The Council reviewed the Judiciary recommendation option proposed by John Stanoch. Mr. Stanoch moved approval of his recommendation, which states that effective July 1, 2007, and July 1, 2008, the salaries of judges of the Supreme Court, Court of Appeals and district court should be increased by 5%. Effective July 1, 2009, and July 1, 2010, the salaries of judges of the Supreme Court, Court of Appeals, and district court should

be increased by the average of the percentage increase in total compensation for state employees provided in negotiated collective bargaining agreements, arbitration awards, or other pay plans for FY 2010 and FY 2011 approved by the legislative coordinating commission before the 2009 regular legislative session. The commissioner of employee relations must calculate the new salaries, which must be based on all compensation increases, including general salary adjustments, merit based increases, and any other benefit increase provided to state employees, except insurance. The commissioner must calculate the new salaries, which must be expressed as percentages rounded to the nearest one-tenth of one percent, and must report them to the Governor and the Chief Justice of the Supreme Court. Seconded. Discussion ensued. Sandy Neren, from Messerli & Kramer representing the Minnesota District Judge's Association, answered questions from Council members. The vote was taken on the Stanoch motion and **APPROVED**.

The Council reviewed the Legislator recommendation options proposed by Representative Atkins, Mr. Swain, and Rep. Erhardt. Mr. Staebler requested roll call votes for the duration of the meeting. Discussion ensued regarding the recommendation options. Rep. Erhardt agreed with the Swain recommendation and withdrew his recommendation. Senator Latz moved to amend the Swain recommendation increasing 33% to 34%. Discussion ensued. Senator Latz withdrew his motion. A roll call vote was taken on the Atkins recommendation to increase salaries of legislators by 3% effective January 5, 2009, and by 3% effective January 1, 2010, and the Swain recommendation to set the salaries of legislators at 33% of the governor's salary effective January 5, 2009. There being 5 votes for the Atkins recommendation and 6 votes for the Swain recommendation, the Swain recommendation was **APPROVED**.

Ms. Meyerle suggested that perhaps the recommendation to the legislature should reflect the close vote and include an alternative proposal. Discussion ensued. The Council came to a consensus to forward the Swain recommendation to the legislature along with the Atkins recommendation as a minimum recommendation.

Next, the Council reviewed the Constitutional Officers recommendation options proposed by Mr. Shaver and Mr. Swain. Discussion ensued. A third recommendation was offered by Rep. Atkins to increase the salary of the constitutional officers by 3% effective January 5, 2009, and by 3% effective January 1, 2010. A roll call vote was taken on the Shaver recommendation for no increase in the governor's salary, the Swain recommendation to increase the salary of the governor to \$137,869, and then multiplied by the rate of inflation (CPI-U) between 2007 and 2009, to be effective January 3, 2010, and the Atkins recommendation as stated previously. There were 2 votes for Atkins recommendation, 5 votes for the Shaver recommendation and 5 votes for the Swain recommendation; the Council did not reach consensus. Discussion ensued. The Council agreed to report the three proposals it considered and the support for each to the legislature.

For the Agency Head Salary Ranges, the Council discussed the Shaver recommendation which stated that there is not an immediate need to modify the salary ranges for heads of state and metropolitan agencies. Mr. Stanoch suggested changing the wording of the recommendation. Mr. Shaver agreed and there was consensus with the Council to recommend no changes to the salary ranges for heads of state agencies and metropolitan agencies. Additional information regarding market analysis is necessary to consider changes in future years. Due to a conflict of interest as a local agency head, Michael Christenson abstained from voting on this issue.

Mr. Shaver reviewed his recommendation that the salary limit on employees of local units of government, established under Minnesota Statutes 43A.17, subdivision 9, should be repealed. Rep. Atkins moved the Shaver recommendation. Seconded. Discussion ensued. Mr. Staebler called the question. The Council reached consensus and the Shaver recommendation was **APPROVED**. Mr. Christenson abstained.

Stan Durda discussed his recommendation that suggests that the legislature define the comparative market associated with each major job category, as well as a target position relative to those external markets. In addition, the Department of Employee Relations should provide the Compensation Council, by January 5 of each odd-numbered year, a market position report by job group and salary classification, an analysis of internal compression by department, a turnover and hiring success profile, and a summary, by job group, of any

extraordinary payments unique to a position or individual. These policy guides and analysis materials will allow the Compensation Council to provide the legislature with an expanded recommendation supporting both internal congruency and external competitiveness. The Department of Employee Relations should coordinate this work with the staff of the Legislative Coordinating Commission in its capacity of providing administrative support to the Compensation Council. Discussion ensued. Mr. Christenson moved the Durda recommendation. Seconded and **APPROVED**.

There being no further business, the meeting was adjourned at 5:58p.m.

Craig Shaver, Chair