

**MINUTES OF THE WORK SESSION OF THE GERVAIS CITY COUNCIL
COUNTY OF MARION, STATE OF OREGON
HELD AT GERVAIS CITY HALL AT 6:30 PM ON AUGUST 19, 2021**

1. Call to Order

Mayor Annie Gilland called the meeting to order at 6:30 pm.

2. Pledge of Allegiance

Mayor Gilland asked Councilor Gonzalez to lead in the Pledge of Allegiance.

3. Roll Call

Mayor Annie Gilland	Present
Councilor Pam Foreman	Present (via Zoom)
Councilor Baltazar Gonzalez	Present
Council President Micky Wagner	Excused
Councilor Diana Bartch	Present (via Zoom)
Councilor John Harvey	Excused

Staff Present: City Manager Susie Marston, City Recorder Denise Dahlberg

4. Announcements/Additions

- a. Additions/deletions to the agenda

5. New Business

a. PSU Presentation of the PSU Comparison Study

Mayor Gilland began by introducing the PSU Compensation Study to the audience. Gilland stated before she was Mayor the previous council ordered this study believing it was a pay equity study. She explained that it was more of a market study and it cost the City money to have it done. She encouraged the audience to listen and ask questions.

Dr. Eileen Casey White, Senior Fellow at Portland State University at the Center for Public Service introduced herself. She mentioned her colleague Bob Winthrop would be arriving in the next ten minutes; he was driving from Portland and got stuck in traffic.

White explained that it was PSU's main mission to give counties and cities what they needed to help them function as governments. One of the services they provide is the Compensation Study. White stated that in a smaller community especially, it is hard to know how much to pay people. She informed the council that compensation is not just salaries; it's also how much they pay for health care, how many days off they get or what amount of vacation is accrued. She continued to explain that they contract with cities and counties and that it's less expensive for PSU to do it because they use graduate assistance to help with the work. Rather than having a

high priced HR firm come in and charge \$20,000 to \$30,000, PSU tries to keep their price between \$4,000 and \$6,000 so that it's reasonable for small communities.

Dr. White presented her slides and explained "Pracademic", bringing practical solutions based on academic research.

White explained the methodology used when doing the compensation study. It's not just looking at the salaries, there is actually a criteria used that has to do with the Public Employee Collective Bargaining Act (PECBA), which the staff of every city and county can fall under.

Bob Winthrop, PSU Senior Fellow explained PECBA procedures and relevant publications. He explained that this is a market study looking at what the employees are getting paid, in not just the salary, but also the benefits. The idea is that it is used in collective bargaining for unions. Winthrop explained that when we look at PECBA, we are measuring the value of compensation received by the employee. He pointed out the components of compensation: base salary, employers PERS "pick-up" of the employees 6% contribution for the Oregon Public Employees Retirement System (PERS), value of paid time off- vacation and holiday pay (not including the value of sick time) and employee cost of a health insurance family premium.

Winthrop informed the council that having a PECBA-style study done allows you to really understand your market from a recruitment and retention standpoint. Winthrop explained that you want to make sure your people are feeling good about their job and that their salary is on a similar level. Generally, salaries that are between 5% below the market or 5% over the market are a good barometer for where the market is.

Eileen White showed a slide of a list of jurisdictions selected. She explained the various factors used when selecting and comparing communities which includes geographic location. They tried to find communities that are rural, in the Willamette Valley and in Marion and Yamhill Counties, recognizing that these communities are pulling from the same labor pool. When building a list of cities for the study, they try to pick half of cities that are smaller and half that are larger. Other factors included finding communities with police positions, similar structure of government, and similar size and nature to Gervais. Dr. White explained the percent difference and how they compare to other communities. Using the market range described by Winthrop earlier (between 5% below and 5% above), the summary results showed the Admin Assistant (Police) is above market, and the City Recorder, Public Works Superintendent, Public Works Utility Worker, Police Chief, and City Manager are within the market range. The Police Lieutenant and City Clerk are considerably lower.

There were tables provided in the report for each position to show how Gervais compared to the comparator cities. As Bob Winthrop began to review those and explain how the numbers came about, he acknowledged that the mayor was shaking her head when they were looking at the comparable cities.

Mayor Gilland mentioned she didn't agree with the comparable cities because she believed they didn't match Gervais business wise, budget wise, and with job duties. She stated that when they did this study the council prior to her was led to believe it was for a Pay Equity Study. She called BOLI and said that the PSU Comparison Study didn't meet that and that there was a free one from the League of Oregon cities that they could've used. Gilland reported that the PSU

study was done nicely and she understood it, but it did not match her understanding of why it was done. Gilland doesn't believe that Gervais is underpaying their employees.

Winthrop understood the Mayor and explained that it was a common concern. Winthrop explained PECBA procedure and that it was sometimes contentious between union and management. Winthrop provided the structure of PECBA and how the comparables are chosen. 3 up, 3 down unless there are mitigating factors, and location is one. He goes on to explain the average of the comparables in Gervais, the differences, and the average at the median level. He explains the PERS, employee insurance and vacation; what is paid in comparable cities and what is paid in Gervais. He provided spreadsheets with formulas and the adjusted compensation on how PSU arrived at their number.

Winthrop stated that a pay equity study is a way different animal than what PSU was contracted to do. Mayor Gilland opined that a pay equity study is what Gervais needed.

As Winthrop reviewed the tables, he explained the equivalence of jurisdictions and job titles in relation to Gervais. He affirmed the selection of cities chosen, the equivalence to Gervais and how the averages of salaries are matched. He continued to explain the comparison study in detail, the formulas and the adjusted compensation, which takes into account PERS, health insurance and paid time off.

Mayor Gilland questioned the clerks' salary percentage in reference to the comparable cities. She asked if Winthrop considered time in the position and asked if there was an implication to jump tiers if the employee was employed less than a year.

Winthrop said no and explained the study looks at the salary schedule the way it is right now. He explained that minimum salary is at entry level and maximum salary is the highest level, and it depends on how many steps you have in the salary schedule.

Gilland stated League of Oregon Cities picked different cities than PSU.

Winthrop explained that LOC had every city in their database, but they didn't do it by job.

Gilland claimed they did it by population and maybe budget, she wasn't sure. Gilland felt that the LOC study was more skewed to the size of Gervais.

Dr. White explained that the only thing they could find on the League of Oregon Cities website was a database from 2018 and all that information was sent in by the cities, so you get whatever they decide to give. PSU contacts each Jurisdiction and asks for the current year documents that apply to this study.

Winthrop stated that in the 10 Jurisdictions PSU has worked with in the past year; he would bet that most of them are members of League of Oregon Cities. Mayor Gilland said they should've been in this study. Winthrop stated they all decided to use PSU, as well.

Winthrop explained how they picked cities within a relative proximity using spreadsheets. Dr. White explained that when they were looking at jobs, one of the criteria was to pick cities

that have a police department because there were police positions, a Police Chief and a Police Lieutenant. White explained why certain cities were chosen and assured the council that PSU did everything they could to meet all the criteria that was needed for the City of Gervais workforce.

Mayor Gilland read from the November 5th, 2020 meeting minutes explaining that Chief Chase mentioned the study would not include police officers since they were working under an existing contract with the union.

Dr. White replied that was true and that it did not include police officers. It included a Police Chief and a Police Lieutenant. White explained that if you didn't have a police department you wouldn't have those two positions. That's why they didn't include them because those positions didn't exist in those cities. White confirmed that the study did not include police officers.

Gilland said she considered the Police Chief and the Police Lieutenant as officers.

Winthrop established that people who are not in the union but are sworn officers, are still sworn officers in Oregon. Winthrop confirmed that the Police Chief and Police Lieutenant are not police officers covered by a collective bargaining agreement, which is why they were included in this study.

White continued to reference the chart showing a list of cities chosen and the reasons why. She explained that the goal of the study was to find a market for our workforce. White stated she understood there was some miscommunication within our departments about what a pay equity study was. White explained that PSU could do a pay equity study for Gervais, and confirmed that this was not a pay equity study.

Mayor Gilland inquired if PSU was originally asked to do a pay equity study. White said no. Gilland said mistakes happen and now they will figure it out as a group. Gilland stated she spoke to BOLI and learned ways of to get a pay equity study done.

White explained the biggest difference of the pay equity study is that it starts with solid job descriptions because a lot of it is paper driven. White explained that the first thing to do is see if the job descriptions are accurate. They do not look at pay specifically at that stage. They look at jobs of comparable character. They look at jobs, not where they do the same thing, but common levels of responsibility, common levels of education, skill sets needed and decision making. That's why job descriptions are so important. If all your jobs are different, the study is finished. White explained that if the jobs are similar then they look at bonafide factors; such as merit pay, seniority, do some of them require a lot of travel, do some of them have more hazardous work conditions, etc. With all of those aspects, we begin to justify why the jobs get paid differently. If you can justify that some of those factors apply and you don't end up with any jobs that are the same, then the study is completed. You still never look at the pay. If you have job titles (not people) that are similar with same work conditions, then you look at individuals salaries and compensation to see if they are being compensated equitably. White stated that most pay equity studies do not get to the third stage.

White informed the council that it is a very different process. She explained that it doesn't look at market. It doesn't look at if you are paying your employees well or not. It's just making sure that if you are paying them a wage that you can justify it and it's all about documentation. White said that PSU would be happy to help with that, but it is not at all what they just did.

White communicated that the pay equity study could be done internally or externally. White stated that with the number of jobs we have; as long as our job descriptions are current and we can justify the jobs; BOLI would accept that.

Mayor Gilland replied that she knows BOLI would, but now with all the confusion she is wondering if they shouldn't pause. Gilland implied there was a mistake made and that before a bigger mistake was made that would cost more, it would be better to get it looked at from the outside in to make sure they are paying.

City Manager Marston addressed the Mayor and council. She informed the council that Eileen White and Bob Winthrop could support her on this. Marston explained that they did not make a mistake. She explained that the intent of this project was to check the compensation of the city employees' total compensation to the market. That was the objective of this project and that is what we set out to do. Marston explained that based on information she had received, she thought this is what she needed to get done to be in compliance with the Pay Equity Act. Marston stated she may have not received correct information on that piece of it. However, Marston stressed that the intent of doing the compensation study was to see where all the employees are at within the market. She concluded that the compensation study supported that.

Mayor Gilland explained that she was at the meeting when this was approved by the previous council. Gilland stated her concern was the cost of the study at \$6,000. She opined that it was sold to the previous council with the implication that the City was not in pay equity compliance. Gilland wondered if the council would have paid \$6,000 to get a market study when they thought they needed a compliance study.

City Manager Marston stated that it was presented to the previous council as a market study. Marston stated the previous council looked at the proposal from PSU and saw everything involved.

Mayor Gilland suggested taking a pause and getting a pay equity study done. She said the council may want to do it the other way. Gilland suggested getting more information before giving raises.

Winthrop stated that PSU could help them find resources for a pay equity study, as he wasn't sure if PSU has the capacity to do one right now with a staffing shortage. Mayor Gilland noted that BOLI would be a resource too.

Gilland stated she is concerned that maybe we are not paying enough, but maybe we are paying too much to the employees of Gervais.

White clarified that a pay equity study would not tell you whether the employees are being paid appropriately to the market.

White said what it would tell you at the end of the day, is that if you have jobs that are comparable, it would tell you if those people are being paid the same amount. It will not tell you how much to pay them and most of the jobs will not come up within the pay. White stated she wanted to make sure the Mayor understood that what she was asking for will not get her to where she says she wants to go.

Gilland suggested that there are tools that BOLI has offered and that maybe we should talk to them.

White communicated that BOLI is a good resource and that PSU works directly with BOLI on developing what they do. White asserted that she understands what the tools are. White told the Mayor she didn't want her to be misled when the pay equity study is done. It will not determine how much to pay the employees. It will only tell you that Employee A and Employee B do not get paid the same.

Gilland said it will look at daily activities, budget and what Gervais can afford.

Winthrop clarified that he thinks Gilland is talking about a comparable worth study.

Gilland said BOLI offers both, but the pay equity is where we are out of compliance.

Councilor Foreman set forth that she believes the current study is an excellent study to understand our compensation. Foreman opined that the current compensation study has great value, but if what the City needs is a pay equity study for compliance; that while going through the slides is useful, it is not relevant if the focus is a pay equity study.

Gilland stated she liked the PSU study and that it was well put together and opined that it wasn't needed. Gilland wanted to continue the discussion to the September Council meeting.

Councilor Foreman stated she doesn't believe any further discussion needs to be had on the compensation study because she believed it was valid and that everyone should have a compensation study. Foreman stated the goal at September's council meeting would be to discuss the pay equity study and that she didn't see any value in continuing a discussion on the compensation study as it stands.

Gilland agreed with Foreman.

Councilor Bartch agreed with Foreman and stated that moving forward the compensation study would be valuable and if the City needs a pay equity study to be in compliance, then the council should look at that as well.

Mayor Gilland asked Marston to place this on the agenda for September, and she thanked PSU for coming.

Councilor Gonzalez asked about the compensation of the police departments within the study.

White explained the cities chosen with adjustments at the median level showed the Police Chief position right where it should be. The Police Lieutenant with adjustments at the median level is below market. White explained that the point of the study is not just about the salaries, it is about what other kinds of compensation is offered to Gervais employees. She stated that when recruiting, this package informs the employee that not only will they start at a good salary, but the City will take care of them with vacation and holidays, etc. White explained that the study will help the council improve the situation by looking at the larger compensation. Not necessarily at the hourly or annual salary, but what are the other benefits offered to all the employees. White gave the example of the City picking up the PERS 6%; 6% more of the employee's salary is saved. White explained when using the study the council is able to look at what is equitable for all the employees.

6. The meeting was adjourned at 7:31 PM.

I, DENISE DAHLBERG, DO HEREBY CERTIFY THAT THE FOREGOING MINUTES OF SAID MEETING OF THE GERVAIS CITY COUNCIL HELD ON AUGUST 19, 2021 ARE, TO THE BEST OF MY ABILITY, CORRECT AS RECORDED.

ATTESTED:

Denise Dahlberg, City Recorder

Annie Gilland, Mayor