

**Committee Members**  
Arlene Mitchell  
Katharine Peters  
David Radziej

**Council Liaison**  
Brenda Holden



**Arden Hills  
Financial Planning and  
Analysis Committee  
Agenda  
May 16, 2018  
6:00 pm**

1245 W. Highway 96  
Arden Hills, MN 55112  
651.792.7800  
[www.ci.arden-hills.mn.us](http://www.ci.arden-hills.mn.us)

***City Vision***

A strong community that values its unique environmental setting, strong residential neighborhoods, vital business community, well-maintained infrastructure, fiscal soundness, and our long-standing tradition as a desirable City in which to live, work, and play.

**CALL TO ORDER**

**1. APPROVAL OF THE AGENDA**

**2. MINUTES**

**3. NEW BUSINESS**

- A. FPAC Organization and Work Plan Discussion
- B. Comp Study

**4. COMMITTEE COMMENTS**

**5. ADJOURNMENT**

A quorum of the City Council may be present at this meeting.



MEMORANDUM

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**DATE:** May 16, 2018  
**TO:** Financial Planning and Analysis Committee  
**FROM:** Gayle Bauman, Finance Director  
**SUBJECT:** Financial Planning and Analysis Committee (FPAC) Organization

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**Committee Should Consider**

Election of committee chair and vice-chair.

**Background**

This committee was originally formed in 2007 to provide modeling, projections and suggest fiscal policies surrounding the longer-term impact of current and near term decisions.

**Discussion**

Attached is a copy of the FPAC work plan. It appears the committee has not met since 2013 and is currently short two members. The committee should elect a chair and vice-chair and discuss future meeting times. Terms run 3 years and current term expiration dates are as follows:

|                 |            |
|-----------------|------------|
| Katy Peters     | 12/31/2015 |
| Arlene Mitchell | 12/31/2016 |
| David Radziej   | 12/31/2016 |

**Attachments**

Attachment A: FPAC Work Plan

# Attachment A

Commission and Committee:

Committee Name: Financial Planning and Analysis Committee (FPAC)

Established by the Arden Hills City Council: March 12, 2007

General Purpose for Committees and Task Forces:

The overall purpose of the committees and task forces are to improve the value of the Arden Hills citizens' property, increase the desirability of Arden Hills as a place to live or work, and to enhance/protect the health and well-being of the citizens.

While the City Council and City Staff have the sole responsibility for activities within the City of Arden Hills, from time-to-time, they find it desirable, advantageous, and necessary to bring together residents of Arden Hills in order to broaden and enrich the discussion around possible decisions. As an example, the City Council's ability to debate and discuss far-ranging alternatives is stifled by the risk that the mere discussion of alternatives will engender them with undeserved merit. In addition, Arden Hills will always seek to hire the most qualified and capable employees, but in doing so will frequently hire staff that is not intimately connected to the Arden Hills neighborhoods. Therefore it is critical that the City create a mechanism where the City Staff can get unfettered and unbiased reaction to their novel thoughts and ideas.

The Commission, Committee and Task Forces are established to broaden and enrich the content that will ultimately be enacted or authorized by the elected City Council.

**Mission/Purpose:**

The Financial Planning and Analysis Committee's purpose is to provide modeling, projections, and suggest fiscal policies surrounding the longer-term impact of current and near term decisions. This includes: build versus lease decisions; future Fire/Police capital facilities/equipment; fund balance policies and capital improvement plans. Use of public financing to achieve these objects is included in this mission/purpose.

Review of operating expenses and annual budget are explicitly excluded from the scope and responsibility of this committee, provided however, that this committee will depend upon financial reports and actual financial history of the City.

Expected Outcomes:

1. Review/Recommend Fiscal Policies
2. Review Public Financing Policy in General for the City of Arden Hills
3. Respond as requested to Council requests for input

Specific objectives will be determined by the committee once it has been formed.

Specific Objectives:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

Immediate Actions In-Process:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

Membership (Five Persons)

Members whose terms expire December 2008-

1. Vice-Chair James Ostlund
2. Al Hilgers
3. Jeff Johnson

Members whose terms expire December 2009-

4. Chair Scott Bronson
5. Maurice Gieske

Ex-Officio Members (if any)

\_\_\_\_\_  
2007 Council Liaison: David Grant

2007 Staff Liaison: Susan Iverson

Meeting Procedures:

1. Meetings will usually be held once per month, until the assigned purpose of the committee has been accomplished.
2. Meetings will follow the Rules of Order established by the committee.
3. The agenda for the meetings will be established in conjunction with the staff liaison.
4. Monthly minutes will be maintained by the staff liaison and copies of the meeting minutes will be provided to the City Council.
5. When actions by the City Council are required they will be submitted in the form of a motion with a summary identifying the critical elements of the item. Reports, updates, and suggested policies are not actionable by the City Council and a presentation to the City Council does not grant the committee authority to proceed with their recommendation.

Expectations of FPAC Members:

1. The interests of Arden Hills and its residents are foremost.
2. Participation of FPAC members is key to their contribution:
  - Members should be present and involved in meetings.
  - Members should be actively engaged in discussing issues, sharing perspectives and raising questions that are essential elements of “good decision-making”.
  - Effective participation derives from continually learning about Arden Hills’ long-term financial issues and political environment in which they exist. This learning process includes formal opportunities afforded by FPAC, as well as informal opportunities that occur in the course of each member’s activity.
  - As a guideline, members should expect to spend 6 to 8 hours per month in their work on the FPAC committee.
3. The FPAC is a group of peers-no single member has more standing or power than another.

4. Respect for the opinions of other members, and for those with whom the FPAC interacts, is a hallmark of the committee's work. Members seek clarity in presenting their views, and represent a sense of stewardship in all that they do.
5. FPAC members engage in continual self-assessment of their performance on the committee. As needs arise, they seek education, input and the skills necessary to evaluate their performance.
6. The FPAC provides an opportunity for the education of its members, both as a part of committee meetings, and through access to outside educational events. Members are expected to actively participate in these opportunities.
7. Some of the FPAC's work involves subjective judgment, where there is not enough data to make the decisions that are necessary. Members who are most successful in these decisions are those who are aware of the values in their neighborhood, willing to engage in the discussion of values, and respectful of those values held by others that might differ from their own.
8. By design the FPAC is composed of individuals with diverse perspectives and experience. The committee benefits from these contrasts that this diversity engenders and seeks to improve the decision making and actions that are necessary to understand the differences and resolve disputes that arise during the discussion of issues and plans.



MEMORANDUM

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**DATE:** May 16, 2018  
**TO:** Financial Planning and Analysis Committee  
**FROM:** Gayle Bauman, Finance Director  
**SUBJECT:** Compensation Study review for future meeting

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**Committee Should Consider**

No action at this time.

**Background**

At the April 23, 2018 Council Meeting, approval was given for George Gmach Compensation Consulting, LLC to perform a market study for the City of Arden Hills.

**Discussion**

Mr. Gmach is currently in the process of gathering information and performing his analysis of the data. The plan is for him to present this information to FPAC in early July and then for FPAC to make a presentation to the City Council by the end of July.

**Attachments**

Attachment A: Agenda item from April 23, 2018 Council Meeting

# Attachment A

CONSENT ITEM –6K



**DATE:** April 23, 2018  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Dave Perrault, City Administrator  
**SUBJECT:** Compensation Study Approval

**Budgeted Amount:**  
N/A

**Actual Amount:**  
\$2,200

**Funding Source:**  
General Fund

## Council Should Consider

The Council should consider approving the attached proposal from George Gmach for a compensation study with the City of Arden Hills.

## Background

At the 2018 City Council retreat, the City Council directed staff to begin the process for a compensation study. George Gmach was identified as a potential consultant to facilitate the process. The City has received a Proposal from Mr. Gmach (see Attachment A). City Staff is recommending the City utilize all of the services listed totaling \$2,200 (\$1,900 if the Council decides to exclude optional services). The City Council also directed the Financial Planning and Analysis Committee (FPAC) to be the lead on this project. A tentative schedule is listed below.

### Schedule

April 23 – City Council approval

May 1 – Kickoff meeting with FPAC and Mr. Gmach

May thru June – Information gathering and analysis by Mr. Gmach

Early July – Presentation to FPAC

Mid July – FPAC presentation to the City Council

The Council also discussed this at a Work Session, and requested staff check other cities that Mr. Gmach has consulted with; staff did check other cities and the feedback was positive.

## Attachment

Attachment A: RFP for Compensation Study

# Attachment A

George Gmach Compensation Consulting, LLC

April 3, 2018

Dave Perrault, MBA, MPA  
City Administrator  
City of Arden Hills  
Email: dperrault@cityofardenhills.org

Dear Dave,

I am providing the following proposal relating to a market study for the City of Arden Hills. My understanding is that there are 17 different jobs, all of which have reasonably recent job descriptions. I also understand that the city is billed for employee healthcare on an individual employee basis determined by age.

The city leadership team wants a study that contrasts Arden Hills total pay practices with a reasonable group of cities in the area. Total pay for purposes of the study means cash payments, health and welfare benefits and paid time off. Some city employees are represented by the 49ers for purposes of collective bargaining.

The city is required to comply with pay equity statutes. Thus, any actions contemplated as a result of the study should be tested to determine whether compliance is maintained post implementation. Evaluating jobs to establish a logical hierarchy is an option that can be performed at the same time.

| <b>Activity</b>  | <b>Hours</b> | <b>Cost</b> |
|--|--------------|-------------|
| Gather information about the city functions and jobs in preparation for market analysis and subsequent activities. This includes job description review and benefit plan review.   | 2            | \$200       |
| Prepare a table showing comparative demographic and economic information for potential peer market comparison. This data will be gathered from multiple sources and peers will be recommended based on the greatest similarities. Geographic location is significant for some jobs and may mean looking at some larger neighbors. The table will be used along with historical city practices to develop a short list of about 10-12 most logical peers. | 1            | \$100       |
| Gather market data for key benchmark jobs. These are jobs that are most directly compared to jobs in other peer market employers. This can begin as soon as there is sufficient job information to select and describe benchmarks. A survey will be prepared to send to peers. Participants will get a free copy of the summary report.  | 6            | \$600       |
| Gather policy and benefit information from peer organizations to facilitate comparison with Arden Hills.   | 4            | \$400       |
| Evaluate jobs using a point factor system for internal equity. The hours are reduced since job will already be reviewed. (Optional)  | 2            | \$200       |

|   |           |                |
|---|-----------|----------------|
| Prepare a report that contrasts the current grade structure with data from peer jurisdictions.      | 2         | \$200          |
| <b>Test for pay equity compliance. (optional)</b>   | <b>1</b>  | <b>\$100</b>   |
| Meet with city officials to present the plan (includes mileage and travel time in the hourly rate). | 4         | \$400          |
| <b>Total (excludes optional activities)</b>   | <b>19</b> | <b>\$1,900</b> |

This is a total turnkey not to exceed. I have calculated hours on the low side and anticipate some pro bono hours to complete the project.

My background includes over 32 years of experience working with public sector compensation research and consulting, including most of that time in a senior management role. I served 20 years as a city council member in a city over 5,000 in population. I am semi-retired and now limit my projects to cities and counties in Minnesota.

If you decide to use my services and we start by May 1, I anticipate a completed project by mid-July.

Thanks for your consideration!

Sincerely,  
George B. Gmach  
Consultant