

March 11, 2013

Mayor Ken Hedberg, and Members of the City Council,

In December of last year, Citizens for Accountable Government (CAG) filed a formal complaint with the City of Prior Lake, alleging that City Hall was in violation of Minnesota State Statute 471.701 that requires public posting of the positions and salaries of the three highest paid City employees. The allegation was based upon the fact that City Hall posted City Manager Boyles 2012 base salary as \$120,598 when in fact his contract with the City required a minimum payment of \$148,498. Instead of conducting an impartial investigation of the allegation, City Attorney Rosow (who we understand was hired at the recommendation of City Manager Boyles) responded for the City by letter dated December 21, 2012. We believe it's inappropriate for a City Attorney, hired at the recommendation of the City Manager, to be the investigator of an allegation of possible misconduct within City Hall. What is more disturbing is the extent to which the City Attorney attempted to stretch the meaning of State Law to justify the alleged misconduct.

As a related matter, we call your attention to State Statute 3920 titled LOCAL GOVERNMENT PAY EQUITY. This Statute provides actual statutory definitions related to local government compensation issues, in contrast to implied definitions that City Attorney Rosow created from his reading of totally unrelated statutes. We call your attention specifically to the statutory definition for "longevity pay" that "means payment above the salary range maximum to employees with specified years of service or seniority". Under this definition, City Manager Boyles is not entitled to receive longevity pay.

Our earlier complaint to the city included as a reference a report by Assistant City Manager Kelly Meyer dated May 7, 2012 wherein she referenced the salary range maximum that applies to City Manager Boyles. She ended the reference with the statement that "the salary rate for the City Manager has always been under the maximum and, as proposed, remains under the maximum".

Simply stated, since City Manager Boyles salary is below, not above the salary range maximum, the \$22,500 that he was given as longevity pay in 2012 was inappropriate and possibly illegal, and since his salary "has always been under" the salary range maximum, any and all longevity payments he has received in the past, or is continuing to receive are equally inappropriate. Obviously this circumstance ought to be immediately remedied. Recovery of all compensation that has been labeled as longevity pay or longevity wages would seem to be the minimum appropriate resolution. Taxpayers should be entitled to the use of a "claw back" procedure to recover improper use of tax dollars just as stockholders or investors expect when their funds are inappropriately used.

We are asking that the City Council act as a body to bring this matter, as well as the issues brought forth in our earlier complaint, to a satisfactory resolution. We are asking that there be public disclosure regarding the remedy. We are hopeful that you will not simply hand this matter off to the City Attorney who we believe has already demonstrated a lack of impartiality.

Steering Committee, Citizens for Accountable Government