

Chairman Wobbema and members of the Senate Workforce Development committee. My name is Mike Blessum. I am a Minot resident and sitting alderman on the Minot City Council. I'd like to give you my perspectives on SB2350 and ask you for a do pass recommendation. These thoughts are mine and are not the official positions of the City of Minot or other council members.

In Federalist 72 Alexander Hamilton wrote **“the desire of reward is one of the strongest incentives of human conduct...the best security for the fidelity of mankind is to make their interests coincide with their duty.”** In America, we believe that hard work and quality performance should be rewarded. The idea of upward mobility and delivering a better life for our kids is based on this concept. It is woven into the very fabric of our republic.

In my role on the Minot City Council, I am responsible for working with city staff leadership to develop the city budget – including programs and strategies for compensation plans. I believe it is imperative that we move away from the current practice of job grades and time in position as our primary factors in compensation. Moving to a merit based compensation model will allow us to reward our strongest performers while holding marginal performers accountable. This process, used throughout the private sector, is the key to controlling personnel costs at the local level.

In our last budget cycle we were asked to approve what was essentially an across the board pay increase of just over 7%. Through council action we were able to lower that amount to about 5%. That amount applied to all positions equally based on job grade and time in position, including those that may not be performing at satisfactory levels. This process must change to enhance the organizational culture and cost structure.

A major challenge with merit based pay is the open nature of public employee personnel records. City leaders are unlikely to give meaningful feedback to their employees when the performance evaluations and other coaching documentation are available through records requests. Employees can request the evaluations of their coworkers. This undermines the coaching process and makes a merit based pay plan much more difficult.

The North Dakota Supreme Court has ruled in *City of Grand Forks v. Grand Forks Herald* and then *Hovet v. Hebron Public School District* that personnel records of government employees are public records subject to records requests. They also made it clear in the decisions that the legislature had the authority to close the records through the law. That is what you are being asked to do with this bill. I would ask you to return a do pass recommendation on SB2350.

Thank you for your consideration. I would stand for any questions.

Mike Blessum

mblessum@min.midco.net

701-818-2000