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## MEMORANDUM

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**TO:** HONORABLE MAYOR AND CITY COUNCIL  
**FROM:** ROBIN PIKAL, FINANCE DIRECTOR  
**SUBJECT:** PAY EQUITY REPORT  
**DATE:** FEBRUARY 10, 2026

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The following pay equity explanation is provided from the League of Minnesota Cities:

*Minnesota is one of the few states with a pay equity law, the Local Government Pay Equity Act (LGPEA). The theory behind pay equity is that women tend to hold jobs that are underpaid. Pay equity means that the criteria employers use to set wages must be sex-neutral.*

*The LGPEA requires local governments to analyze their employee pay structure for evidence of gender inequity and file a report with the State of Minnesota Local Government Pay Equity Coordinator every three years. The report must show the city has achieved the required level of pay equity.*

*To file this report, the city must purchase or develop a job evaluation system that assigns points to each job classification (for example, police officer, maintenance worker, administrative assistant, etc.) based on categories like responsibility level, working conditions, and skills required. Once the points are assigned, the employer establishes a pay system that generally pays higher salaries to the people in job classifications with higher points.*

*One of the key components of pay equity is ensuring that a job classification that is primarily made up of female employees is paid at least as much or more than a job class made up primarily of male employees with lower points.*

The Compliance Report prepared for 2025 data is included on the following page and the City of New Prague's submission is found to be compliant. Additionally, an explanation of the report criteria is also included following the Compliance Report.

**Recommendation:** Council approves the 2025 Pay Equity Report.