

Mayor Beyer called the January 5, 2010 Special Council workshop to order at 6:10 p.m. in the council chambers of City Hall, 6031 Main Street, Rockford, MN. The purpose of the special workshop was to discuss polices and employee benefits.

### **ROLL CALL**

Roll call was taken and the following members were present: Beyer, Graner, Hafften, Martinson and Nichols. Also in attendance were: Administrator Carswell and Public Works Supervisor D. Peterson. Staff members in attendance were: Etzel, Desens, Quirk, and Vogel.

### **Introduction memorandum**

A memorandum outlining the discussion between Council Member Hafften and Administrator Carswell was reviewed. The outcome of that meeting was the purpose of this special meeting as well as the medical benefits that were previously presented to the city council for amendment of the cost of family medical coverage.

The meeting included discussion about disability/serious illness leave, sick time, vacation time, longevity bonus, holidays, personnel ordinance 206.02, code of conduct, private information listed on fire incident reports, cause for immediate dismissal added to personnel policy and the computer use policy.

### **Return to Work & Injury/Illness Form**

The city council reviewed the return to work early policy that was established in the early 1990's. The discussion evolved to include a form that would be required for the non-workers compensation illnesses/injuries /surgeries that may include employee restrictions. The existing personnel policy 206.10 Subd. 2 states that if an employee is absent for more than 3 days they shall submit a medical certificate.

An addition to the personnel ordinance was submitted for review that would include the following:

- (4) If the employee is out of work more than five days **or less** due to illness or serious health conditions or disability the employee will not be allowed to return to work until the required form is completed by their physician stating they are capable or performing their job or if they have any work restrictions.

A new form was submitted that would be required prior to allowing an employee to return to work that was out due to a serious illness, injury, etc. The form would list any restrictions that the employee has in regards to performing their job.

After a lengthy discussion the council determined that item #3 would be deleted in this section and the above language would be added. The ordinance amendment will be submitted for approval at a future council meeting.

### **Code of Conduct**

An updated code of conduct had been discussed at the last city council meeting. The existing code of conduct was established many years ago. Therefore, staff submitted a model from the League of Minnesota Cities that would be titled "Rockford Statement of Values". The statement of values includes nine items which are explained in detail. The statement of values would apply to the city council, city staff, commission members, contracted consultants and contracted/seasonal employees.

The values will be read and signed annually by all parties as a reminder and will be added to the list of forms for new employees, council members and commission members.

### **Fire Incident Reports**

Per the State of Minnesota Records retention schedule that the city has adopted, fire incident reports are public information. It was discussed that the city hall should shred these reports at the end of each year after the billing is completed since the fire department has the original copies of these reports for over the past ten years, as per the retention schedule.

Since the privacy issue was being discussed, the city council requested that the social security numbers be removed from their pay checks. It is illegal to have social security numbers of employees and council members readily available due to federal laws. The payroll checks should be changed to use an employee code NOT social security numbers. The payroll register should also be changed so that social security numbers are not printed on the register.

### **Employee Discipline Policy**

Personnel ordinance section 206.26 Cause for disciplinary action was reviewed. To include new language as recommended by Council member Hafften:

(1) Employees shall be subject to disciplinary action **and possible immediate termination** for failing to fulfill their duties and responsibilities.

### **Computer Use Policy**

The current computer use policy was presented for review. The city council concluded that all computers should be setup so that they automatically shut down or logged off after ten minutes of sitting idle so that no one can access another person's computer without their permission.

### **Employee Vacation**

The city council reviewed the employee vacation policy and comparisons presented that included the cities of Delano, Monticello, Otsego, Rogers and St. Michael. The average number of maximum vacation days granted per calendar year was 20 days. The city's existing policy does not have a maximum number of vacation days and allows the city employees to carry over one-half of their unused vacation time at the end of each year.

The discussion compared the vacation days that city council members receive in the private sector, some other cities such as Hutchinson and the State of Minnesota. Hafften noted that the State of Minnesota employees receive a maximum of 31 days of vacation based on 9.5 hours for every two weeks worked and then based on longevity.

The salaried employees earn 40 hours more vacation than the hourly employees in the current policy. The current policy does not allow hourly employees any vacation in the first year which the council felt was not fair.

The city council decided to cap the maximum vacation earned at 30 days and only 2 weeks or 80 hours can be carried over at the end of each calendar year. There will be no difference between hourly and salaried employee's vacation earnings. Another change recommended was to include 40 hours vacation earned for new employees to be used after six months to one year.

Vacation will be accrued each month instead of waiting to be posted on the employee's anniversary date. The existing vacation that the Administrator and Public Works supervisor have accumulated to date will not be taken away since it exceeds the 30 days but shall be used by the last pay period of 2010. The administrator will submit a report to council on November 23, 2010 as to the balance of vacation time remaining for these employees and at that time the city council may decide to cash out any remaining hours that exceed the newly established 80 hour cap.

This ordinance amendment including the new vacation schedules as listed in section 206.09 will be submitted to council for formal approval.

### **Employee Holidays**

Employee holidays were reviewed per the personnel ordinance section 206.07 was discussed. A comparison of other cities holidays earned was also reviewed. The city council decided to add an additional four (4) hours holiday for Christmas Eve day if it falls on a regular work day. This ordinance amendment will be submitted to council for final approval.

### **Employee Sick Leave**

The city council discussed the employee sick leave policy as per the personnel ordinance section. A comparison of other cities sick leave policies was reviewed by the council. The city's sick leave policy per personnel order section 206.10 allows 12 sick days per year. The sick hours can accumulate with no cap. There is a pay out listed in the ordinance that allows employees to cash out the sick leave when they resign as follows:

After 10 years of service paid sick leave accrued is 25%

After 15 years of service paid sick leave accrued is 50%

After 20 year of service paid sick leave accrued is 75% at the employees rate of pay at the time of termination.

The city council was given a copy of the amount of sick time each employee has year to date on December 31, 2009. There are some employees that have very large sick leave banks that are a financial liability to the city when they resign. Therefore, the city council discussed the amount of sick time accumulated for all the employees and expressed their concern about the existing policy.

The city council did not agree with the existing policy of getting paid for unused sick time. There was some discussion about the short term disability insurance and when the first day employees may use that.

The discussion ended with the conclusion that sick time will no longer be paid out and the amount accumulated may be used when sick or may be paid out as per the existing policy. However, from adoption of the new ordinance employees will earn 12 days of sick time in the year 2010 and 10 days sick leave will be earned in the year 2011.

At the adoption of the new sick leave policy no cash payments will be made on any of the sick time earned from this date forward. The amount of sick leave earned now shall accumulate and be used for sick leave.

The employees shall earn 10 days of sick time in 2011 and the city council agreed to pay the employees short and long term disability insurance premiums that are currently being deducted from their sick time.

The staff will discuss with the city attorney and the LMC Human Resource Attorney how the existing bank of sick time should be maintained for the future and whether the pay out on this bank will be froze at the existing years of service or at the future date of resignation.

An ordinance amendment will be drafted to reflect the new sick time policy and submitted to the city council for adoption.

### **Longevity Pay**

The city council reviewed the compensation policy in regards to longevity pay. The longevity pay is written as follows:

#### **SECTION III. LONGEVITY PAY**

The City Compensation Plan shall include longevity pay. The longevity payment is an annual payment in recognition of years of service with the City. An employee must have the full years of service necessary and all service must be continuous except for that associated with military service or an authorized leave of absence. Employees shall be

eligible following five (5) full years of service. The minimum longevity payment shall be \$132.50 for five (5) full years of service. Said longevity payment shall be increased each year in increments of \$26.50 per year through year ten (10), in increments of \$32 per year through years eleven (11) to fifteen (15), in increments of \$37 per year through years sixteen (16) to twenty (20) and \$42 per year years twenty-one to retirement.

Full-time employees: the minimum longevity payment shall be \$132.50 for five (5) full years of service.

Regular part-time employees: the minimum longevity payment shall be \$93.75 for five (5) full years of service. Said longevity payment shall be increased each year in increments of 75% of the longevity pay schedule.

The longevity payments shall be made in a separate check within two (2) weeks of employees anniversary date

effective January 1, 1990.

No change to the longevity pay was recommended.

**Medical Insurance Benefit**

The city employees are covered by Medica Health insurance as a small group and the rates increased 13% in 2010. The city policy currently pays 100% of single coverage and 60% of family coverage with the single coverage being subtracted from that amount and paying the remaining 60%. The administrator suggested that the city pay 75% of the family premium instead of the 60% after single is deducted to save money and noted that is the way the budget was presented.

– A comparison from other cities medical insurance was presented to the council for review. The cities polled average amount of city paid single coverage per month is \$538 and \$850 for family. Rockford now pays \$565 single and \$856.60 of the family coverage.

There was a lengthy discussion about employees being charged for the increase each year including single coverage. A monthly or annual stipend to be used for benefits was also discussed at \$9,600 per employee, which is a cafeteria plan where employees who did use it for medical insurance could use it for other health related items such as a fitness center membership out of pocket expenses, etc.

The city council decided to stay with the existing policy of medical insurance where single coverage is paid 100% and family is paid 60% after subtracting the single amount which is equal for \$194.40 per month or \$2,332.80 annually. The general budget will be revised to reflect the costs and approved by the city council at a later date.

The administrator is going to check on other plans and find out what other options such as Health Reimbursement accounts; Health Savings Plans are available for the employees. The staff will also check into how the premiums would be reflected if an employee were to drop out of the plan.

**ADJOURNMENT**

MOTION was made by Martinson, seconded by Graner to adjourn the meeting.

MOTION CARRIED-VOTING IN FAVOR: BEYER, GRANER, HAFFTEN, MARTINSON AND NICHOLS.

– Mayor Beyer adjourned the meeting at 10:03 p.m.

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Michael A. Beyer, Mayor

ATTEST:

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Nancy Carswell, Administrator