

**BUDGET & FINANCE COMMITTEE
CONFERENCE ROOM
SEPTEMBER 12, 2011
5:30 P.M.**

AGENDA

- I. CALL TO ORDER
- II. CONSENT AGENDA
 - A. Minutes (page 1)
- III. NEW BUSINESS
- IV. OLD BUSINESS
 - A. Discuss 2012 Budget (emailed as a separate attachment, due to the length, if you want a hard copy please contact City Hall).
Open Issues:
 - 1. Police Transcription (page 5)
 - 2. Pay Increase For Part-time Seasonal Workers
 - 3. Re-Hiring 1 Seasonal Part-time Worker
 - 4. TASC – Flex Spending
 - 5. Police Squad Car – Capital Improvement 2012
 - 6. Update on Payroll Days (page 7)
 - B. Coalition Of Greater Minnesota (CGMC) Dues (page 8)
- V. INFORMATIONAL
- VI. ADJOURN

*****Please contact Renee Eckerly if you can't attend the meeting.*****

Voting Members: Jean Soine, Belinda Ludwig, Kirk Johnson, Dennis Zimmerman, and Renee Eckerly.

This agenda has been prepared to provide information regarding an upcoming meeting of the Paynesville Budget & Finance Committee. This document does not claim to be complete and is subject to change.

BARRIER FREE: All Paynesville Budget & Finance Committee meetings are accessible to the handicapped. Attempts will be made to accommodate any other individual need for special services. Please contact City Hall (320) 243-3714 early, so necessary arrangements can be made.

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: Budget & Finance Committee

Committee/Council Meeting Date: September 12, 2011

Agenda Section: Consent Agenda

Originating Department: Administration

Item Number: III - A

ITEM DESCRIPTION: Minutes

Prepared by: Staff

COMMENTS:

The May minutes may be available prior to or at the meeting for consideration.

Please review the attached minutes from the May 9, 2011 and August 8, 2011 Budget & Finance Committee meetings.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to approve the minutes from the May 9, 2011 and August 8, 2011 Budget & Finance Committee meetings.

**MINUTES
BUDGET & FINANCE COMMITTEE**

AUGUST 8, 2011

Jean Soine called the meeting to order at 5:30 p.m. Other members present were Dennis Zimmerman, Belinda Ludwig, Kirk Johnson, Ron Mergen and Renee Eckerly.

Motion was made by Zimmerman to approve the minutes of the April 11, 2011, June 13, 2011 and July 11, 2011 Budget & Finance Committee meeting. Seconded by Ludwig and unanimously carried.

The May 9, 2011 meeting minutes remain outstanding.

2012 BUDGET

Eckerly reported that \$4,728.00 would need to be increased in revenue or cut from expenses to get the 2012 budget to a 4% levy increase which is \$21,000.00. The significant change since the last meeting was a \$1.50 increase in the filing fee on Motor Vehicle transactions that the State of Minnesota has in their approved budget. This gave the City an additional \$24,000.00 in revenue based on 16,000 transaction per year. Also \$1,000.00 was added to Mediacom franchise fees, removed \$1,000.00 from Union Attorney fees and removed \$2,500.00 for the Fly-In. Eckerly reported that she has contacted the County Assessor regarding the large increase in fees over the last few years. Eckerly reported that the preliminary levy needs to be approved by the City Council on September 14, 2011. The Committee agreed to forward the 2012 budget to the Council.

Pay Increase for Part-time Seasonal Workers

Mergen reported that Paynesville Township is paying \$10.00 per hour starting for trimming and cutting trees is \$14.00 per hour. Currently the part time seasonal workers are at \$8.75 and \$9.25. Mergen requested they both get raises to \$10.00 per hour. The employees were more interested in mowing and now that is being done by volunteers so they are doing other work. Retention of the employees is an issue. The employees work 67 days each and start in March through October. Eckerly was against the increases due to the employees being part time season at 67 days and the Union members are not getting any raises. The non union part time have a pay scale for their increases and performance evaluations. There is no pay scale for these employees or performance evaluations. The City also pays unemployment benefits for this classification. Mergen reported that morale with his full time employees is fine and that they understand the need for the increases. Eckerly disagreed that morale is not high because a motivational speaker is being requested by the Safety Committee of which members of his staff are members.

Re-hiring 1 Seasonal Part-time Worker

Mergen requested to hire the 3rd part time seasonal employee back through the sewer budget. Mergen reported that things are being neglected such as pumps being checked. Eckerly questioned if that should be done by one of the licensed public work employees. Mergen reported over the past years he has went from 4 part time seasonal employees to 2, this is along with reduction in overtime for the full time Public Works employees. The cost would be \$4,800.00 plus unemployment which would be about \$1,000.00. Mergen reported that things are not getting done such as turning valves, meter change outs from the 2010 street project, jetting, compost

gates, AMPI meter installation, and library cleaning. Currently some of the projects part time employees are doing include sharpening mower blades, opening parks, picking up garbage, and mowing the downtown areas. They don't need a lot of supervision.

The Committee discussed both the increases in wages and additional staff and tabled it for future consideration.

(Ron Mergen left)

Payroll Days

Zimmerman reported that it is unfortunate that this is unable to be accomplished with staff support. The Committee discussed irrigators still taking a lot of time after being computerized. The Committee discussed letters from the Union Representative and comments from the Labor Attorney regarding call backs.

Motion was made by Zimmerman to change the work week from Monday through Sunday to Saturday at 12:00 a.m. to Friday at 11:59 p.m. and recommend such to the City Council. Seconded by Johnson and unanimously carried.

State Status Update

Eckerly reported that the City has received from the State the 2012 Certified LGA amount which is \$679,593.00, which is the 2010 LGA after unallotments and reductions. The preliminary 2012 budget has \$629,593 for LGA and no Market Value Credit or Mobile Home Homestead Credit.

Police Transcription

Eckerly reported that money was found in the Police budget to support contracting for help with the transcription. There is a surplus of approximately \$8,000.00 due to unemployment benefits not being utilized that were budgeted. The Police Chief would like to contract at \$13.50 per hour for 120 hours with Doreen Dickey. This would be through the end of 2011. Eckerly has contacted the labor attorney to find out if there are any issues, but has not heard back yet. The Committee discussed other rates of pay such as \$.14 - \$.15 cents per line. The backlog of transcription is slowing down the potential criminal prosecution. There is no money in the 2012 budget to continue this backup service. The Committee directed Eckerly to check with Bill Spooner, City Attorney and draft an agreement and send directly to the City Council.

Initiative Foundation Donation

The Committee discussed and recognized all the good projects that the Foundation does, but the City won't be participating in 2012 budget.

AIRPORT LAND SALE PRICE

The Committee members stated that this is to go to a Working Session of the City Council. Eckerly reported that the Council also stated to have Budget & Finance review is to cover all the bases so she put it on this agenda. The Committee members gave some background on the property. The appraisal that was done during the Hwy. 23 land negotiations with MnDOT was discussed. Council has current data from Stearns County regarding recent sales. Council's opinion is to wait to see because the land will be worth more after the road is complete. The Committee discussed the Ferche property pricing. The Committee deferred a decision to the City Council.

FUEL PURCHASING POLICY

Eckerly reported that she received a verbal request from Mrs. Evans, Hilltop to be considered to be added to the list for the monthly rotation for fuel purchasing by the City. She stated that Hilltop is utilized by the City after hours when the other stations are closed. The Committee discussed that the City vehicles should be patronizing businesses in the City limits. The Committee recommended the rotation to continue as listed and the Township should be purchasing from Hilltop. There was no change in the policy.

PET LICENSE DUE DATE

Eckerly reported that currently the animal licenses are due on June 30th of each year, which is a busy time for the staff. This year especially with the State shutdown it was extremely difficult to be sending out notices and processing collections. Eckerly would like to recommend changing the due date to April. The Committee discussed possible times of the year and how to adjust payments.

Motion was made by Zimmerman to change the 2011 license period to June 30, 2011 to September 30, 2012 and then always renew on September 30th in the future with no adjustment to rates and recommend such to the City Council. Seconded by Ludwig and unanimously carried.

There being no further business, the meeting was adjourned at 7:15 p.m.

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Renee Eckerly

From: Renee Eckerly
Sent: Wednesday, August 24, 2011 9:06 AM
To: 'William Spooner'
Subject: RE: Proposed Professional Services Contract

Bill,
I just spoke to Pamela and she agreed that there is no way to hire someone so they would not be an employee. So this project is over, because the city does not want to hire. We will deal with this in house.

Renee Eckerly
City Administrator – Paynesville, MN
Email: ReneeE@paynesvillemn.com
Telephone: 320-243-3714 ext. 227
Fax: 320-243-3713

From: William Spooner [<mailto:fs-law@clearwire.net>]
Sent: Tuesday, August 23, 2011 2:56 PM
To: Renee Eckerly
Subject: Proposed Professional Services Contract

Renee:

I just wanted to share a concern I have regarding this idea that is being floated about putting together an independent contractor agreement for someone to work on transcription for police department files on site at City Hall.

Under Minnesota Law, there is a test that the Courts have used over the years to determine whether someone is truly an independent contractor or an employee. Those five (5) factors are the following:

- 1) The right to control the means and manner of performance of the duties.
- 2) The mode of payment.
- 3) The furnishing of materials and tools.
- 4) Control of the premises where the work is done.
- 5) The right of the employer to discharge.

When I think about this situation and the first factor, it seems like clearly the City would control the means and manner of performance. This seems like there is something integrated into the City's system that is required to be used so that you are basically transcribing from tapes that are made by law enforcement officers on a system owned by the City in an office setting provided by the City.

The mode of payment proposed here is an hourly rate. Hourly rate pay tends to indicate an employer/employee arrangement.

In furnishing materials and tools, again, the City would apparently be furnishing both the materials and the tools to do the job here, which would intend to indicate an employee situation.

This work is proposed to be done on site at City Hall, which again would tend to weigh in favor of an employer/employee relationship.

Finally, the right of the employer to discharge, the Courts have said that the right to stop giving work is essentially the right to discharge. Obviously the City would have the right to stop giving work if the City was dissatisfied with the way things were going.

My concern in this is basically what would happen if some how the person with this contract were hurt on the job. It seems fairly unlikely and perhaps remote, but if it were to happen my guess is she would be found to be an employee.

The one thing that obviously weighs in favor of this being an independent contractor situation is the fact that the person doing the work apparently has another full-time job, and although the City would exercise some control over the means and manner of performance, that would have to also work around her schedule, and she is not prohibited from having this other employment, which would tend to weigh in favor of the independent contractor status.

I think if there was a way to figure out a fair method of payment that wasn't on an hourly basis, that you might be a little safer, but I know that you had told me that Kent was uncomfortable with at least one suggestion in that regard. It might be worth considering whether there is another way to work that out, but unfortunately I don't have any suggestions along those lines, because I just don't know enough about the nature of the work, but we maybe could explore with some transcription services to see how they charge, and if that might work to do something where she is paid by the page or something in a manner that is fair to everyone.

William Spooner

Renee Eckerly

From: Renee Eckerly
Sent: Thursday, August 25, 2011 1:48 PM
To: Alice McColley; Belinda Ludwig; Chris Wittrock; Emergency User; Jack Winter; Jennifer Welling; Kent Kortlever (paynesvillepd@gmail.com); Liquor Store; Public Works; Ron Mergen; Stephanie Hormann (paynesvillechannel8@gmail.com)
Subject: Work Week Change

The City Council unanimously approved changing the work week from Monday - Sunday to Saturday at 12:00 am to Friday at 11:59 pm.

This change is not for the 3 members of the Police Labor Unit, due to wording of their labor contract.

But is effective to all other employees.

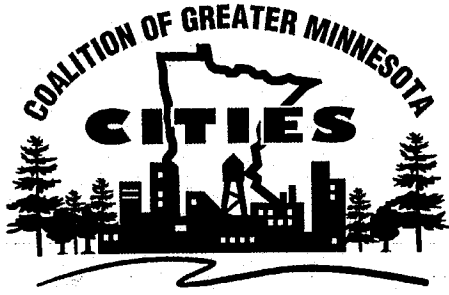
The current payroll period will be August 22, 2011 through Sept 2nd, 2011.

The next payroll period will put in place the work week change which will be from Sept 3rd through Sept 16th; your timecard will then list Saturday Sept 3rd as the first day.

Department Heads need to review this change with your staff so they are aware of the City Council action.

Contact me with any questions or concerns.

Renee Eckerly
City Administrator – Paynesville, MN
Email: ReneeE@paynesvillemn.com
Telephone: 320-243-3714 ext. 227
Fax: 320-243-3713



Dedicated to a Strong Greater Minnesota

August 19, 2011

Mayor Jeff Thompson
City of Paynesville
221 Washburne Ave
Paynesville, MN 56362

Dear Mayor Thompson:

Last week I had the honor of being elected president of the Coalition of Greater Minnesota Cities at our annual summer conference in Grand Rapids. At our board meeting last week we also had a pretty intense discussion about new member recruitment. If our organization is going to capitalize on the more than 30 years' worth of work to protect LGA and grow economies in greater Minnesota through sound environmental, land use, transportation and economic development policies, a broader membership base is going to be needed.

Even though LGA saw significant decreases this year, it would have been worse, but for the efforts of the Coalition. This year CGMC members and staff were active on numerous fronts including:

- Meetings with every new legislator from greater Minnesota to educate them on what LGA is and why it is vital to their communities;
- Meetings, press conferences, and conference calls with newspaper editors and media across the state resulting in unprecedented support and positive coverage from media in every corner of the state;
- Education of local chambers of commerce resulting in 14 local chambers voicing support for the current LGA program to their legislators and policy makers in St. Paul;

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- Meetings with the Governor, the Governor's staff, and legislative leaders with mayors and city officials from across greater Minnesota.

The truth of the matter is that no one else is doing this work. Over the past several years CGMC members have been fighting this fight not only for their own communities, but also for yours.

It is time for the City of Paynesville to join CGMC and the fight for all of greater Minnesota. As a new member of CGMC we would phase in your full dues starting at 25% in 2012. The attached document explains the dues phase in and what your dues would be for 2012.

Because this is so important a CGMC member or staff person will be calling you in the coming days to discuss how we can make membership for your city in CGMC a reality.

I look forward to our conversation,



Alan Oberloh, Mayor of Worthington
President, Coalition of Greater Minnesota Cities

Enclosure

cc: Renee Eckerly, City Administrator

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Dedicated to a Strong Greater Minnesota

MEMORANDUM

To: Renee Eckerly, City Administrator
City of Paynesville

From: Scott Hutchins, CGMC Treasurer

Date: August 18, 2011

Re: 2012 CGMC Dues Assessments

Our 2012 dues assessment for new and former members of CGMC is based on the assessment policy adopted by the full membership at its annual CGMC meeting in Grand Rapids on August 5, 2011. Cities who have never been CGMC members will have their full membership dues phased in over four years so that your 2012 dues would be 25% of the total dues, then 50% in 2013, 75% in 2014, and finally 100% in 2015 and thereafter.

2012 general assessment for the City of Paynesville

\$916

For research and advocacy and general services related to property taxes, LGA, annexation, environmental regulation and funding, economic development and transportation. This also includes services for CGMC's labor and employee relations program. Because you are being phased-in, this is 25% of your full assessment.

Payment may be made out of your 2011 or 2012 budgets, but payment should be made by February 1, 2012. About 8% of your assessment is used for annexation and environment programs, which some cities pay out of their utility funds because of the direct impact of these issues on their sewer and water service.

Please make check payable to CGMC and send to:

Scott Hutchins, CGMC Treasurer
City of Moorhead
500 Center Avenue, Box 779
Moorhead, MN 56560

cc: Mayor Jeff Thompson

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