



MAYOR & COUNCIL COMMUNICATION

DATE: 12/07/2010
Consent
ITEM #: 5
MOTION *as part of the Consent Agenda*
Resolution 2010-066

AGENDA ITEM: Workers' Compensation and Optional Health Care Coverage for Elected Officials

SUBMITTED BY: Tom Bouthilet, Finance Director

THROUGH: Bruce Messelt, City Administrator

REVIEWED BY: Joe Rigdon, KDV
Dave Snyder, City Attorney

SUMMARY AND ACTION REQUESTED: The City Council is respectfully requested to consider approving Resolution 2010-066 authorizing Workers' Compensation for elected officials and optional participation in Health Care coverage, without any increase or change in compensation and at no additional cost to the City. No specific motion is needed, as this is recommended to be part of the overall approval of the *Consent Agenda*.

BACK GROUND INFORMATION: Minnesota Statute 176.001 subd.9 (6) states that "municipal officers elected or appointed for a regular term of office" are considered to be "employees" for workers' compensation purposes, only if the city has passed an ordinance or resolution to that affect. This would provide coverage for elected officials injured while performing his or her duties.

In addition, the City Council may elect to determine if members of the City Council should be allowed to participate to the City's health care benefits program. However, Minnesota Statute §415.11 governs compensation of elected officials in statutory cities, requiring an increase to be approved by Ordinance and delay of its effective date until after the next municipal election.

As such, in order to comply with State law, total Council compensation would not increase in 2011 but, rather, individual Council Members would be allowed to elect to opt into the City's health care benefits program, and could utilize their current compensation toward the total cost (pre-tax). Any additional costs would be born by the individual Council Member.

STAFF REPORT: As part of the annual Worker's Compensation renewal process, the City must decide whether or not it is the Mayor and City Council's intent to be included as employees for Workers' Compensation purposes. The City has historically determined it was in the best interest of the City to include this coverage for elected officials. This inexpensive coverage offers protection to the elected official and limits City exposure.

Staff has also been asked to research Council participation in the City's current employee health care benefits program. After discussion with the current providers and the League of Minnesota Cities, it has been determined that City Council members are eligible for employee health care benefits.

In order to remain revenue neutral and comply with State law, current total Council compensation would not change. Rather, individual Council Members would be provided with the option of electing City health care benefits and utilizing his or her current City compensation (pre-tax) toward the cost of such coverage.

RECOMMENDATION: Based upon the above background information and Staff Report, it is respectfully recommended that the City Council approve as part of tonight's *Consent Agenda* Resolution 2010-066, stating that the City considers an elected official as an employee for workers' compensation coverage and eligibility for health care benefits.

Alternatively, the City Council does have the authority to remove this item from the Consent Agenda and further discuss and deliberate prior to taking action. While tabling this item is not recommended (at least not beyond the planned December 14th meeting), the Council may elect to amend the recommended motion. If done so, the appropriate action of the Council following such discussion would be:

“Move to approve Resolution 2010-066 regarding Workers' Compensation and eligibility for Health Care coverage for elected officials, [as amended at tonight's meeting].”

ATTACHMENTS:

1. Resolution # 2010-066

SUGGESTED ORDER OF BUSINESS (if removed from the Consent Agenda):

- Questions from Council to Staff..... Mayor Facilitates
- Call for Motion Mayor & City Council
- Discussion..... Mayor & City Council
- Action on Motion..... Mayor Facilitates