



STAFF REPORT

DATE: November 7, 2018

REGULAR #8

AGENDA ITEM: Council Members as Employees

SUBMITTED BY: Kristina Handt, City Administrator

BACKGROUND:

At the February 2, 2016 meeting Council passed a motion stating “For the purposes of Minnesota Statutes Chapter 13 and insurance liability coverage, City Council members should be treated as employees of the City.”

The Council discussed this issue again at the September 11, 2018 work session and there was direction to bring this forward to a Council meeting and change the designations.

ISSUE BEFORE COUNCIL:

Should the Council change the policy about Council Members being treated as employees?

PROPOSAL:

As discussed at the 2/2/16 and 9/11/18 meetings, this is a policy decision for the Council. Some cities treat council members as employees for the purposes of data practices and some do not.

In review of the 2/2/16 meeting, it was mentioned and referenced in the staff report that our insurance lists Council members as employees for the purposes of liability coverage. That is not accurate. While our liability coverage does cover council members, it lists them separately from city employees. One of the changes that occurred on January 1, 2016 is that the city’s workers compensation coverage defaulted to covering elected officials as employees. This option had always been available to the city in the past. The policy change was simple that unless the city opted out, elected officials would be covered under workers comp.

Stillwater, Minneapolis, and Eden Prairie are cities that treat Council members as employees for the purposes of data practices.

FISCAL IMPACT:

If the city chose to opt out of workers comp coverage for elected officials, it would save a minimal amount (around a couple hundred dollars). The City has been treating the Mayor and Council as employees for workers compensation coverage so there would be no additional cost.

OPTIONS:

- 1) Make no changes to the current policy
- 2) Do not treat council members as employees of the city for the purposes of MN Stat. Chap 13 and workers comp coverage

- 3) Do not treat Council members as employees of the city for the purposes of MN Stat. Chap 13 but continue to cover them for workers comp

RECOMMENDATION:

Based upon the direction at the work session:

Motion to Approve Resolution No 2018-121 A Resolution to Consider Council Members as Employees for Workers Compensation Only.”

ATTACHMENTS:

- Resolution No 2018-121

**CITY OF LAKE ELMO
WASHINGTON COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. 2018-121

*A RESOLUTION TO CONSIDER COUNCIL MEMBERS AS EMPLOYEES FOR THE
PURPOSES OF WORKERS COMPENSATION ONLY*

WHEREAS, the City of Lake Elmo is a municipal corporation organized and existing under the laws of the State of Minnesota; and

WHEREAS, the City Council of the City of Lake Elmo may determine when to treat themselves as employees for the purposes of workers compensation or data practices; and

WHEREAS, the Lake Elmo City Council did decide in February 2016 to treat council members as employees for the purposes of Minnesota Chapter 13 (data practices) and liability insurance; and

WHEREAS, the Lake Elmo City Council discussed this issue again at its September 11, 2018 work session and received updated information as it relates to council members as employees and insurance coverage;

NOW, THEREFORE, BE IT RESOLVED THAT the City Council does hereby designate the Mayor and Council as employees for the purposes of workers compensation only. Council members will not be treated as employees under MN Stat. Chap 13.

Passed and duly adopted this 16th day of October 2018 by the City Council of the City of Lake Elmo, Minnesota.

Mike Pearson, Mayor

ATTEST:

Julie Johnson, City Clerk