



STAFF REPORT

DATE: September 11, 2018

DISCUSSION

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.”

Mayor Pearson has asked that this item be brought back to a work session.

ISSUE BEFORE COUNCIL:

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

PROPOSAL:

As discussed at the 2/2/16 meeting, 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.

Council should discuss and provide direction to staff if something needs to be brought back to a council meeting for adoption.

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).

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