



## STAFF REPORT

DATE: May 16, 2023

**CONSENT**

**AGENDA ITEM:** Employee Recognition Policy Update

**SUBMITTED BY:** Karissa Goers, Administrative Services Director

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### **BACKGROUND:**

The Employee Recognition Policy was adopted in 2016 as way to increase moral and employee motivation, encourage loyalty and long-term retention of employees, to celebrate the accomplishments and service of retiring employees, as well as demonstrate appreciation of the City Council, employees and citizens for public service provided to Lake Elmo. The spending limits in the current policy are not substantial enough to reasonably cover the expenses.

### **ISSUE BEFORE COUNCIL:**

Should the proposed Employee Recognition Policy spending limits be approved?

### **PROPOSAL DETAILS/ANALYSIS:**

This policy was implemented seven (7) years ago. Costs have increased significantly since that time. In order to provide a suitable reception or gift for these employee recognition programs, the spending limits should be increased. Additional funds would cover both the rising costs of supplies, food, flowers, and gifts as well as the increase in the number of City employees attending these functions.

Staff is proposing to increase the amount for a retirement from \$100 to \$200, increase memorials from \$50 to \$100 and the annual event from \$500 to \$1,000.

### **FISCAL IMPACT:**

The 2023 budget has contingency funds available to accommodate these increases for the remainder of the year. Additional funds will be added to the 2024 budget for future needs.

### **OPTIONS:**

- 1) Accept the new spending limits for the Employee Recognition Policy as written.
- 2) Suggest different spending limits for the Employee Recognition Policy.
- 3) Keep current spending limits for the Employee Recognition Policy.

### **RECOMMENDATION:**

If removed from the consent agenda.

***“Motion to accept Employee Recognition Policy as written.”***

### **ATTACHMENTS:**

Employee Recognition Policy

**City of Lake Elmo, Minnesota**  
**Employee Recognition Policies**  
**Adopted December 2016**  
**Revised May 2023**

**1. PURPOSE AND INTENT**

- a) Beginning August 1, 2007, Minnesota Cities have authority under state law to conduct employee recognition programs under Minn. Stat. Sec. 15.46, 43A.17, 412.111. This policy is intended to set forth the objectives of the City of Lake Elmo's employee recognition program and to provide for the expenditure of public funds as necessary to achieve these objectives in a manner consistent with the law.
- b) The objectives of the program are:
  - 1) to increase morale and employee motivation;
  - 2) to encourage loyalty and long-term retention of employees; and
  - 3) to celebrate the accomplishments and service of retiring employees, to demonstrate the appreciation of the City Council, employees and citizens of the City of Lake Elmo for the public service provided by all Lake Elmo employees.
- c) Employees eligible for recognition under this policy are regular full and part-time city employees, including all members of the Lake Elmo Fire Department. Seasonal employees are not eligible.

**2. SERVICE ANNIVERSARY AWARDS**

- a) Employees shall be presented with a certificate recognizing their years of service at the completion of five (5) years of service and upon every five years of additional service thereafter. The certificate shall be signed by the Mayor and the City Administrator and/or department head and any other supervisors designated by the department.
- b) The City Administrator is directed to purchase suitable gift cards for this purpose for approximately \$50.00.
- c) The award shall be presented by the Mayor at a City Council meeting on a date as close as practical to the service anniversary date.

**3. RETIREMENT RECOGNITION**

- a) Employees who are retiring from service shall receive a gift commemorating their retirement. A suitable item with a value of \$200 or less will be selected by the City Administrator.
- b) The City will hold a retirement reception honoring the retiree. The City will contribute not more than ~~\$100~~200.00 to the costs of refreshments for the reception, which will be held either in conjunction with the presentation of the award at a City Council meeting, or at another date and time to be determined upon consultation with the employee. The reception will be held at the city hall or other city building.

- c) Should an employee choose not to participate in a retirement reception, no compensation shall be paid to the employee in lieu of the city contribution to the reception.
- d) Retirement, for the purpose of this policy, shall be defined as meeting the qualifications for retirement under the rules of the Minnesota Public Employee Retirement Association (PERA) or of the Lake Elmo Firefighter Relief Association.

**4. OTHER RECOGNITION PROGRAMS**

- a) The City of Lake Elmo recognizes that the Lake Elmo Firefighter Relief Association may provide other awards and recognition to firefighters for their years of service or upon their retirement. The recognition program may include awards or events that do not meet the criteria for proper expenditure for public funds. No public funds shall be used for such programs, but the City supports their establishment and funding by the Relief Association to the extent consistent with the bylaws of the association and laws governing the use of such funds.
- b) The City may provide memorials, flowers, or other hospitalization gifts in an amount not to exceed ~~\$50-100.00~~ upon the hospitalization (of at least three (3) nights) or death of any City employee, council member or member of a City committee, commission or board.
- c) The City of Lake Elmo, with coordination of the Environmental Committee, will recognize residents, community groups and/or businesses with Environmental Stewardship Awards. Recognition will include a certificate presented at a City Council meeting.
- d) An annual event may be held to recognize the public service of City staff Council members, and members of City committees, commissions and boards. The event must be preapproved by the City Council. An amount not to exceed ~~\$500-1000.00~~ will be provided for the annual event and must be expended as necessary to achieve the objectives of the City's Employee Recognition Policies. Immediate family or significant others of City staff, Council members, or members of City committees, commissions or boards may attend the annual recognition event at their own cost. Expenditure of public funds to purchase alcohol for the annual recognition event shall not be permitted.