

The meeting was called to order at 5:00 p.m. by Mayor Gregg Nelson. Present were Councilmember Kara Reis, Marty Long, Rick Kingston, City Attorney Korrine Land, Deputy Clerk Stephanie Marty, and Recording Secretary Debbie Breen. Councilmember Katy Ross was absent. City Administrator Candidate Kevin Kress was also in attendance.

Consideration and potential approval of City Administrator Contract with Kevin Kress

Mayor Nelson opened the meeting and thanked Mr. Kress and Attorney Land for working together on the details of the contract. He mentioned that significant compromises had been made on both sides of the contract negotiations. A summary of the contract includes:

- Employment start date will be December 2, 2019. Annual base salary will start at \$103,000 with a review in April 2020. Upon completion of a satisfactory performance evaluation the base salary will increase to \$105,000.
- Mayor Nelson has asked Kevin to propose a STEP plan for City staff as he moves forward into the City Administrator position.
- Full Health, Dental, and Life Insurance will be provided, with the benefits not exceeding \$20,000 pursuant to MN PEIP Program. Life Insurance policy shall not exceed \$50,000.
- PTO as outlined in Addendum A. Mr. Kress will be credited with 80 hours at start of employment and accrue 40 hours each quarter, not to accrue more than 160 hours per year.
- Claw Back Clause is outlined in the agreement stating that money already paid to an employee must be paid back to the employer under certain conditions. Discussion was also had on the language under Termination for Cause.
- Severance pay for termination other than defined under Termination for Cause will provide a lump sum equal to 4 months of base salary if before 12/2020, and 6 months base salary after December 2020, along with Cobra.
- A yearly allowance of \$4,000 for use of personal auto and cell phone.
- Professional Development – Mr. Kress is encouraged to participate in 3 Management Associations per year (ex. MCMA, MAMA, and LMC). Councilmember Reis asked if they can put a dollar limit on education funding. Attorney Land suggested that the amount could just be set in the yearly budget. Mr. Kress stated he currently has \$3,000 - \$5,000 in budget for education development, and typically includes conferences in areas such as Rochester, Duluth, and St. Cloud.

Councilmember Long asked if this is pretty standard contract for this position. Attorney Land indicated that she has worked on contracts for 5-10 administrators, and generally starts with this type of template and makes revisions from there. The only section that is sometimes more beefed up would be the language in the Termination for Clause. Councilmember Reis asked if they could change verbiage if they wanted to. Attorney Land stated that during the performance reviews with the City Administrator, Council could renegotiate certain terms of the contract.

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Mayor Nelson stated Mr. Kress has experience developing STEP plans, which include COLA (Cost of Living Adjustment). Administrator Kress stated the importance of increasing employee longevity with a STEP performance based system. COLA program helps retain salary based employees that are maxed out to have an incentive to stay. Mr. Kress would prefer semi-annual review so he has more performance feedback on what he can do better and improve. He would also like to reach out to each of the Councilmembers every week to see if there is anything he can do.

Councilmember Reis asked if the contract recommended would motivate him to stay long term. Mr. Kress responded that he would like to develop a STEP plan. He is comfortable with salary but would have liked more PTO hours since he currently receives 240 hours at the start of each year. This contract has a quarterly release of 40 PTO hours. He also mentioned that his former job had work from home flexibility as needed and would eventually like to have this option as well.

Councilmember Reis mentioned that Section 3.2 of the contract states that the position is exempt with the City Administrator expected to attend meetings and a 40 hour work week, even if office staff is 35 hours.

Mr. Kress stated that his hours are currently 8 – 4:30 p.m., and prefers to stack meetings if possible to save Council and committee time, and keep information fresh.

PTO is the only section in which he wishes he could carry over more hours. Mayor Nelson mentioned they would discuss this issue in future performance reviews.

Motion to approve the City Administrator Contract was made by Councilmember Long and seconded by Commissioner Kingston. All in favor. The motion passed unanimously.

Mr. Kress mentioned he looks forward to learning how to interact with the Councilmembers, and increase positive public perception. His focus is being upfront with entire council. Mr. Kress mentioned that he would like to have access to a laptop for use, and Mayor Nelson confirmed they would work on that.

At 5:45 p.m. Councilmember Reis motioned to adjourn, with Councilmember Long as second. All unanimously agreed.

Mayor Gregg Nelson

Recording Secretary