

OFFICIAL PROCEEDINGS OF THE CITY COUNCIL

ADJ. REGULAR SESSION

SHAKOPEE, MINNESOTA

NOVEMBER 22, 2011

Mayor Schmitt called the meeting to order at 7:00 p.m. with Council members, Matt Lehman, Steve Clay, Pat Heitzman, and Pamela Punt present, as well as Mayor Elect Brad Tabke and Councilor Elect Jay Whiting. Also present Mark McNeill, City Administrator; Kris Wilson, Assistant City Administrator; Julie Linnihan, Finance Director; Rick Coleman, Fire Chief and Judith S. Cox, City Clerk.

Mayor Schmitt asked if there were any additions or deletions to the agenda. Mr. McNeill said there were no changes to the agenda.

Punt/Heitzman moved to approve the agenda. Motion carried 5-0.

Mark McNeill, City Administrator, presented council with the Fire Service Agreement Update. Mr. McNeill stated that the Townships are currently working on a fire agreement with the City. The City and townships have not yet met to discuss the agreements they have each been working on. He stated that sometime in the future the City will be meeting with the townships to get their input in the matter.

Ms. Linnihan said that the City of Shakopee has existing agreements with Jackson and Louisville Townships, specific to fire service and the related costs. The current agreements were developed in 1994 and have not been recently reviewed or updated.

Ms. Linnihan said the existing agreement provides for a payment calculation that requires modification to the approved budget amounts and can be difficult to track. Ms. Linnihan said the Fire Chief, City Administrator and herself discussed revising the agreement with the townships to simplify the agreement, make it more meaningful, trackable, cover the costs that are critical for everyone to participate in and to provide a cost sharing that would be appropriate and affordable.

Ms. Linnihan said that staff is recommending adding into the cost sharing agreement the charge for facilities and building allocation. She also said that there has always been a 15% City overhead in the agreement and staff is proposing reducing it to 10%.

Ms. Linnihan then discussed the share value formula for the City and both townships. The City share value would be 92.08%, Jackson Township at 2.99% and Louisville share of value would be 4.93%. The formula is based on gross tax capacity.

Ms. Linnihan discussed with Council the fact that the current contract with the townships does not have any language in it regarding adjustment of the contract. She asked Council if they would be in agreement to have language in the contract that would allow for an annual yearly review of the contract. All Council members agreed.

Lehman/Punt moved to direct staff to continue working on an agreement with Louisville and Jackson townships regarding fire service, the administrative function should be detailed so the numbers are not altered, change the language of the contracts to five years with an annual one year review, and bring back numbers regarding valuation based on market value, tax capacity, with land or without land, for each. Motion carried 5-0.

Chief Coleman provided an update of the construction on the new Station 2, fire station on Vierling Dr. He said the anticipated move in date is December 17, 2011. If the move does not occur on that date, he anticipates the move to occur after January 1, 2012. He provided various current pictures of the building for Council to look at.

Ms. Wilson presented Council with the Wage Rates for Paid-on-Call Firefighters.

Ms. Wilson said that during discussions of the City's 2012 operating budget, the Council agreed to include \$25,000 in new funding for part-time wages in the Fire Department. The City is currently served by 43 paid-on-call firefighters who are paid \$10.00 per hour for attendance at calls, drills and meetings and receive a pension of \$7,500 per year of service after 20 years. The \$10.00 rate went into effect on January 1, 2004.

Staff is asking Council to consider raising the hourly wage by fifty cents to \$10.50 per hour for calls, drills and meetings for all employees that have completed the first year of their probationary period. It is recommended that new hires continue to be paid \$10.00 per hour until they successfully complete one year of service. The estimated cost is \$10,000 for 2012.

Ms. Wilson also discussed incentive pay. Incentive pay would be tied to attendance levels. The incentive pay concept could be expanded to include other areas such as physical fitness and education/training. Each firefighter's attendance percentage would be calculated for the 12-month period of November 1 through October 31. If they exceed one of the attendance thresholds, the City would multiply their total hours for that 12 month period by the appropriate incentive pay for that threshold and issue a standalone check for that amount on or about December 1.

The proposed dollar amounts for the individual attendance thresholds are:

- 50-59% - \$0.50 per hour
- 60-74% - \$0.75 per hour
- 75%+ - \$1.00 per hour

The estimated cost of the proposed incentive program for 2012 is \$7,500 to \$10,000.

Clay/Lehman moved to direct staff to proceed with the changes to the wage rates for paid-on-call firefighters as outlined by staff and bring back a resolution for council consideration. Motion carried 5-0.

Chief Coleman presented Council with the Planning for Future Fire Service Needs.

Chief Coleman discussed daytime fire response. The calls during the day have been increasing and the number of firefighters responding has been decreasing. Two issues that attribute to the problem is employers willing to let their employees respond to fire calls and the distance because many of them do not work in the city.

Chief Coleman stated a possible solution to the problem is a Daytime Duty Crew. Chief Coleman provided Council with options for Daytime Duty Crews. Option one would be daytime crews pulled from paid-on-call staff. Option two would be to hire part-time staff. Option three would be hire full-time staff.

Chief Coleman discussed the need for a full time Training Chief especially if a third fire station is built. Also, the need for a third fire station in the future as well as the added personnel costs for additional firefighters, operating costs, fleet costs, and construction costs.

Chief Coleman provided two time lines for the third fire station with variations of adding new firefighters, a training chief, and construction and funding of a third station. A cost summary of opening a third fire station including debit service, additional personnel, operation & fleet costs is estimated at \$680,000. Adding a Daytime Duty Crew could cost up to \$350,000, annually.

Chief Coleman discussed the tax impact using today's dollars and tax base on an average value home in Shakopee - \$246,200. The Daytime Response/Duty Crew tax increase would be \$24 annually and \$48 annually for a third fire station.

Mr. McNeill summarized that staff is asking council to look at adding daytime staff to increase the daytime response and to continue to consider the concept of a third fire station over time. Funding for a daytime duty crew is a 2013 budget discussion.

Council discussed the information provided to them and agreed that further discussion is needed regarding the future needs of the Fire Department.

Lehman/Clay moved to recess for a five minute break. Motion carried.

Mayor Schmitt reconvened the meeting at 8:50 p.m.

Ms. Linnihan presented Council with the Relief Association Bylaws Update.

Ms. Linnihan said the Shakopee Fire Department Relief Association has been working with City staff to develop updated bylaws. The bylaws have been discussed and reviewed by City staff, the City Attorney and Board members. The current bylaws were last approved in September 2001.

The new bylaws are based on a model which is significantly different from the existing bylaws making a side by side comparison of the two difficult. Based on this factor, staff had requested a review of the bylaws by City Attorney, Jim Thompson, who has stated that the primary concern during any bylaw update is to ensure that any changes to benefit coverage be specifically identified for Council action. The current pension amount, which was established in 2005, is set at \$7,500 for each year of pension benefit. This amount is not changing. The Fire Relief Association and staff are submitting and requesting approval of the updated bylaws, which results in no additional pension obligation..

Lehman/Clay offered Resolution No. 7140, A Resolution Approving the Bylaws of the Shakopee Fire Department Relief Association, and moved its adoption. Motion carried 5-0.

Kris Wilson, Assistant City Administrator, presented Council with an Amendment to the Personnel Handbook for Paid-On-Call Firefighters.

Ms. Wilson stated that she is looking for Council's approval on several amendments. The proposed amendments are as follows:

1. Pay Periods & Pay Days – change the handbook to reflect the City’s change to the pay period from one calendar month to a 28 pay period and the paydays from the second Friday of the month to every fourth Monday.
2. Attendance Requirements for Pension –that a year of service credit will be awarded to each firefighter that has met the requirements established by the City.
3. Two-year Probationary Period – the City went to a two-year probationary period for pay-on-call firefighters. Identifying certain milestones that are achieved after successful completion of just one year of the probationary period.
4. Annual Medical Exam – requirements to complete an annual medical exam are formally listed in the Personnel Handbook.

Ms. Wilson said there is no budget impact associated with any of the changes.

Punt/Clay offered Resolution No. 7137, a Resolution Amending Resolution No. 6807 Adopting a Personal Handbook for Paid-on-Call Firefighters of the City of Shakopee and moved its adoption. Motion carried 5-0.

Mayor Schmitt asked there were any other Council concerns or business.

Cncl. Lehman asked when staff is bringing back the building maintenance use policy for clarification and the overlay assessment policy.

Mr. McNeill said that he’s discussed the overlay assessment policy with the Public Works Director and the building maintenance policy issue will be on the agenda on December 20, 2011.

Punt/Heitzman moved to adjourn. Motion carried 5-0.

The Council meeting ended at 9:16 p.m.

Judith S. Cox
City Clerk

Kim Weckman
Recording Secretary