



### **Our Vision**

Red Wing thrives as a vibrant, creative river town that values its natural environment, welcomes all people, and unlocks opportunity for everyone.

### **Our Mission**

We strive to create a sustainable, healthy, accessible, resilient, and equitable community where every person feels at home.

## **Meeting Announcement and Agenda**

### **Personnel Committee Meeting**

**Jordan River Room, City Hall Second Floor**

**315 West 4th Street, Red Wing, MN**

**Tuesday, July 23, 2024, at 4:00 PM**

**1. Call to Order**

**2. Approval of Minutes**

2.A. Motion to Approve October 16, 2023 Minutes.

**3. New Business**

3.A. Hiring Process for Council Administrator

3.B. New Position Requests

Several departments have requested additional staffing for 2025. Some of the positions have a direct impact on the General Fund, and others do not. The position request information will be sent to you in a separate email. Staff is not requesting a recommendation at this time. However, any feedback on the proposals is appreciated. Department Heads requesting positions are available to answer questions about the positions.

3.C. Open positions

One of the possible solutions to budget reductions is not filling open positions. This report provides a list of current open positions, and a brief discussion on possible future actions.

3.D. Early Retirement Incentive Program review

**4. Old Business**

**5. Communication Items**

5.A. Personnel Updates (Verbal)

5.B. Next Meeting Date:

**6. Adjournment**

Accommodations for signing interpreter, Braille, large print, etc. can be made. Call City Hall at 385.3600 seven days prior to the need. Hearing assistance devices are available during meetings.

PERSONNEL COMMITTEE MINUTES  
Monday, October 16, 2023

**City Hall, Jordan River Room**

Members Present: Don Kliewer, Janie Farrar, Kim Beise

Members Absent: None

Staff Present: City Council Administrator Kay Kuhlmann, Administrative Services Director Laura Blair, Public Works Director Shawn Blaney, Interim HR Manager Patti Schmidt

Others Present: Mayor Mike Wilson

Call to Order: Farrar called the meeting to order at 11:00 a.m.

Approve Minutes: Kliewer made a motion and Beise seconded the motion to approve minutes of September 18, 2023. Motion to approve minutes approved unanimously.

Old Business:

3.A. City Council Administrator Hiring Process

Discussion to conduct surveys related to the hiring process. Blair to bring cost to full Council at the next meeting.

3.B. Pay and Compensation Study update

To date all but IAFF has signed MOA's approving the new pay chart. Implementation on to the new plan is July 1, 2024.

New Business:

4.A. Library Director hiring process discussion. Interviews to take place in December 2023.

Next Meeting Date: TBD

Adjourn: Farrar adjourned the meeting at 11:49 p.m.

## Red Wing Council Administrator Timeline

This timeline is tentative. The final timeline will be set after the City Council's decision to proceed. The dates **highlighted in yellow** indicate required Council participation.

ITEM	TASK	COMPLETION DATE
<b>Decision by City Council to proceed</b>		<b>May 13, 2024</b>
<b>Information gathering</b>	<ul style="list-style-type: none"> <li>Gather all pertinent background information</li> <li>Gather salary information and review job description</li> <li>Meet with staff, stakeholders, and each member of the City Council</li> </ul>	<b>August 8, 2024</b>
<b>Professional position profile</b>	Develop position profile and advertisement	September 3, 2024
<b>Approve position profile</b>	City Council approves profile, job description, salary range, and hiring process	<b>September 9, 2024</b>
<b>Candidate recruitment</b>	<ul style="list-style-type: none"> <li>Post position immediately upon approval of profile</li> <li>Comprehensively advertise</li> <li>Email and phone calls to prospective candidates</li> </ul>	September 20, 2024- October 20, 2024
<b>Screening of applicants</b>	DDA will review and rank applicants based on job related criteria and select semifinalists	October 21, 2024
<b>Personality Index</b>	DDA will administer a work-related personality index to all semifinalists	November 3, 2024
<b>Video interview</b>	Each semifinalist will complete a video interview	November 3, 2024
<b>Selection of finalists</b>	<ul style="list-style-type: none"> <li>City Council selects finalists for interviews</li> <li>DDA will notify candidates not selected as finalists</li> </ul>	<b>November 12, 2024</b>
<b>Background check of all finalists</b>	Includes: <ul style="list-style-type: none"> <li>Criminal background: county, state, national</li> <li>Sex offender registry</li> <li>Social Security number verification</li> <li>Education verification</li> <li>Credit check</li> </ul>	December 4, 2024
<b>Reference check on all finalists</b>	DDA will conduct reference checks with current and former employers on all finalists	December 4, 2024
<b>Intellect profile</b>	DDA will administer an intellect profile measuring verbal reasoning, mathematical and logical reasoning, and overall mental aptitude.	December 4, 2024
<b>Finalist packet</b>	DDA will provide the Council information including: <ul style="list-style-type: none"> <li>Summary of references</li> <li>Results of background checks</li> <li>Personality index reports</li> <li>Video interview</li> <li>Resumes, etc.</li> </ul>	December 5, 2024
<b>Interviews</b>	DDA will prepare all interview materials and be present at all interviews and other functions. It is recommended that Council interviews be at a special meeting	December 12, 2024 <b>Special Meeting</b>
<b>Decision</b>	City Council will select candidate for offer	December 12, 2024
<b>Offer and agreement</b>	DDA will negotiate agreement with selected candidate	December 23, 2024
<b>Projected start date</b>	New Administrator begins	March 3, 2025



## CITY COUNCIL MEETING STAFF REPORT

To: City Council Members and Mayor  
From: Laura Blair Johnson, Administrative Services Director  
Meeting Date: July 23, 2024  
Agenda Item Number: 3.C.

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### **Title**

Open positions

One of the possible solutions to budget reductions is not filling open positions. This report provides a list of current open positions, and a brief discussion on possible future actions.

### **Purpose**

In the past, in difficult financial situations, the City has elected to assign several authorized positions to a category of 'unfunded' for the future year. This effectively puts the position on hold until adequate funding can be secured in future years. This tool is especially useful in situations where layoffs are a possibility. At this point, we do not have clear direction from the Council. The levy increase, along with other significant budget factors like wage increases and the increase in health insurance, will affect whether the Council elects to categorize some positions as 'unfunded' for 2025, offer early retirement or initiate a lay-off program.

Currently, there are seven open positions in the city organization. They are:  
Finance Manager and Accounting- Administrative Business Department (hiring process has been initiated).  
Engineering Director - Engineering Department  
Assistant Engineer Director - Engineering Department  
Maintenance I (Andy N position) - Public Works Department  
Electrician - Public Works Department  
CIP Manager - Administrative Business Department  
Facilities Maintenance HVAC – Public Works Department (hiring process has been initiated).

All positions listed above except the Maintenance 1 position, are single occupied positions, meaning the City only has one of these individuals. This makes the decision to hold these positions open for a year much more challenging. As you can see above, we have activated a search for both the Finance and Accounting Manager and the Facilities Maintenance HVAC positions. The Finance and Accounting Manager is a key Management position that needs to be filled (and in the short term is being filled through interim support). The Facilities Maintenance HVAC is also a key position, that if unfilled, costs the city significantly more through contract services.

Currently, we have put a hold on the following positions:  
Engineering Director - Engineering Department  
Assistant Engineer Director - Engineering Department  
Maintenance I (Andy N position) - Public Works Department  
Electrician - Public Works Department  
CIP Manager - Administrative Business Department

The staff would like to discuss the engineering department, and the replacement of the Engineering Director. However, we know that the Council's position on pursuing capital investment through grants and tax base is divided. We do not want to pursue hiring a position that we cannot afford. Short-term solutions can include continuing on with an interim Engineering Director, utilizing existing staff to plan for future projects (when funding is more readily available) and a consultant to serve as the official "City Engineer".

The CIP Manager position is in a similar position. The council's decision not to pursue funding/investments in infrastructure results in less need for this position. Short-term solutions can include contracting for consultant services to complete the grant and loan documents to meet the federal and state requirements for current projects.

A decision not to replace an electrician would require increases in professional service budgets, and result in a less efficient and productive operation.

Additional information that should be considered is the number of retirements that are coming up in the next few years. Several ideas for restructuring due to retirements, have been considered as a partial solution to the current and future open positions. A more in-depth staff report can be generated for each idea at future personnel meetings. However, it is difficult to have a public discussion about future planning when positions discussed have a current employee who has not announced their retirement.

### **Recommended Action**

Council Administrator Kuhlmann will lead a discussion on open positions.

### **Attachments**

None

### **Strategic Plan Alignment**

### **Background**

For discussion only.

### **Discussion**

### **Financial Plan and Impact**

### **Alternatives**

**Recommended Action**

Council Administrator Kuhlmann will lead a discussion on open positions.

APPLICATION TO PARTICIPATE IN THE EARLY INCENTIVE RETIREMENT PLAN ("ERIP")  
OF THE CITY OF ALEXANDRIA AND PARTICIPATION AGREEMENT

I hereby apply for the Early Retirement Incentive Plan (ERIP) offered by the City of Alexandria, Minnesota. I have read the ERIP Information Sheet in this packet, and I understand the terms and conditions of the ERIP, and I agree to be bound by those conditions.

I will be eligible for a PERA pension on the following dates:

- Full unreduced pension on \_\_\_\_\_ (date)
- Early (reduced) pension on \_\_\_\_\_ (date)

I agree that if this application for the ERIP is approved by the City, I will resign from my employment with the City of Alexandria on the following date:

\_\_\_\_\_ (date)

I understand that this application for the ERIP will be approved or denied based upon the best interests of the City as determined by job-related factors and as consistent with business necessity and that such decision is solely in the City Council's discretion.

I understand and agree that upon submittal of my application, and receipt of tentative approval from the City, I further understand and agree that I will sign the Release of Claims Agreement provided to me as a part of the ERIP packet on my last day of employment with the City and that my participation in the program is contingent upon the City's receipt of that signed agreement and my non-rescission of that Release of Claims Agreement.

I agree that, if my application for an ERIP is approved, and if I have provided the City with a signed and dated Release of Claims Agreement and do not rescind that Release of Claims Agreement as set forth above, the City of Alexandria will provide me with the benefits and additional pay as set forth in Section 3 of the ERIP Information Sheet in this packet.

I agree that my participation in the ERIP is entirely knowing and voluntary, that I have been given an adequate amount of time to make my decision, that I have received accurate and complete information about the ERIP, that I have not been subjected to any threats or coercion, that I would not be subjected to any negative consequences if I decided to not participate in the ERIP, and I have been advised of my right to seek the advice of legal counsel before signing this Agreement.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**A City of Alexandria employee must apply for the ERIP by submitting the attached Participation Agreement no later than noon on the following dates: department heads – June 30, 2020; all other employees - August 14th, 2020**

## *RELEASE OF CLAIMS AGREEMENT*

This Release of Claims Agreement (“Agreement”) is made and entered into by and between the City of Alexandria, Minnesota (the “City”) and \_\_\_\_\_ (“Employee”) in consideration for the City’s payment of program benefits as described in Section 3 of the ERIP Information Sheet to Employee under the City’s Early Retirement Incentive Plan (“ERIP”), in which Employee has voluntarily chosen to participate.

All parties hereto, in consideration of their mutual covenants and Agreements to be performed, as hereinafter set forth, agree as follows:

### **Article 1. Consideration**

Provided that Employee does not exercise his/her right to rescind as described in Article 5 of this Agreement, then in consideration for Employee’s voluntary participation in the City’s early retirement incentive program and execution of this Agreement, the City will pay Employee \$1,106.25 per month beginning the first month after Employee’s retirement date described in his/her ERIP Participation Agreement for up to sixty (60) months or until the employee is sixty five (65) years old, or the age at which the participating Employee becomes eligible for Medicare, should that age be changed after the City Council’s adoption of this plan, whichever is sooner for the purpose of financing health insurance coverage for Employee and Employee’s dependents, if any. The gross proceeds owing to Employee under this program will be deposited into Employee’s Minnesota Service Cooperative Plan Trust “VEBA” account.

The City will also pay Employee in full for any unused vacation time and 50% of unused accumulated sick leave up to a maximum of sixty (60) days to the employee’s VEBA or Health Savings Account or to the employee in a cash payment subject to any applicable payroll deductions and withholdings.

The payments described in this Article are the full and final compensation for any and all claims arising out of Employee’s employment with the City. Employee acknowledges that but for this Agreement, he/she would not otherwise be entitled to these payments.

### **Article 2. No Precedent or Past Practice**

All parties to this Agreement hereby acknowledge and agree that: (1) this Agreement is solely for the purposes of resolving the matters in this Agreement; (2) the terms of this Agreement do not have any precedential value beyond this Agreement; and (3) neither this Agreement nor its terms can be introduced, referred to, or in any other way utilized in any subsequent negotiations, mediation, arbitration, litigation, or administrative hearing, except as may be necessary to enforce its provisions and terms.

### **Article 3. No Recall Rights**

Employee agrees that he/she has no recall rights to employment with the City and that he/she will not assert such rights under any applicable policies or labor agreements between the City and any collective bargaining unit.

### **Article 4. Employee Waiver and Release**

**Section 4.1** In exchange for the payments described herein, employee for him/herself hereby knowingly and voluntarily waives his/her right to pursue and further releases the City from any and all grievances, claims, demands, actions, liability, damages or rights of any kind, including court costs and attorney's fees, whether known or unknown, that he/she has asserted or may assert, arising out of or resulting from Employee's employment with the City to the extent such claims can be waived and released. These claims include, but are not limited to, all claims and rights arising under the Veterans Preference Act, Minn. Stat. § 197.46; any applicable Labor Agreement; the City's Personnel Policy Manual; the Minnesota Human Rights Act, Minn. Stat. §§ 363A.01-41; Title VII of the Civil Rights Act, 42 U.S.C. §§ 2000e – e-17; the Family and Medical Leave Act, 29 U.S.C. §§ 2601-54; the Americans with Disabilities Act, 42 U.S.C. § 12101-117; the Rehabilitation Act of 1973, 29 U.S.C. § 701-96i; the Workers' Compensation Act, Minn. Stat. §§ 176.01-.861; the Public Employment Labor Relations Act, Minn. Stat. §§ 179A.01-.30; the Minnesota Occupational Health and Safety Act, Minn. Stat. §§ 182.65-.676; Minnesota Statutes, Chapter 181; the Age Discrimination in Employment Act, 29 U.S.C. §§ 621-34; and the state and federal Fair Labor Standards Acts, 29 U.S.C. §§ 201-19, Minn. Stat. §§ 177.21-.35; and claims based on breach of contract, tort, common law, or any other legal theory. Employee further waives any right to any damage or compensation of any kind awarded by any governmental agency.

**Section 4.2** Employee waives his/her right to contest any recall or failure to recall Employee to employment with the City under Minn. Stat. § 197.46 and any applicable policy or labor agreement.

## **Article 5. Consideration and Rescission**

**Section 5.1** Employee has been given at least 21 days during which to consider this Agreement pursuant to the Age Discrimination in Employment Act, 29 U.S.C. §§ 621-34. Employee may, however, sign this Agreement prior to the expiration of said 21-day period. If Employee signs this Agreement prior to his/her last day of employment stated in his/her ERIP Participation Agreement, it shall be deemed effective as of his/her last day of employment.

**Section 5.2** Employee has the right to rescind the release of the claims set forth in Article 4 of this Agreement with regard to claims arising under the Minnesota Human Rights Act, Minn. Stat. §§ 363A.01-41, within 15 calendar days of execution of this Agreement, and with regard to his rights arising under the Age Discrimination in Employment Act, 29 U.S.C. §§ 621-34, within 7 calendar days of execution of this Agreement. The two rescission periods shall run concurrently. In order to be effective, the rescission must:

- A. Be in writing;
- B. Be delivered to City Administrator or Personnel Director, 704 Broadway, Alexandria, MN 56308; and
- C. If delivered by mail, the rescission must be postmarked within the required period, properly addressed to the City Administrator and

the Personnel Director, as set forth above, and sent by certified mail, return receipt requested.

This Agreement will be effective upon the expiration of the 15-day period if there is no rescission. If Employee rescinds this Agreement in accordance with this article, he/she will not be permitted to participate in the City's ERIP, will not receive the payment(s) set forth in Article 1 of this Agreement, and he/she will be obligated to return any benefits and payments if already received pursuant to this agreement.

#### **Article 6. Amendment, Modification, or Termination**

This Agreement or any of its terms may only be amended, modified, or terminated by a written instrument signed by or on behalf of all of the parties hereto or their successors in interest.

#### **Article 7. Entire Agreement**

This Agreement, together with the Information Sheet relating to the ERIP of the City of Alexandria ("ERIP") and Employee's Participation Agreement related thereto constitute the entire agreement among the parties. No representations, warranties, covenants, or inducements have been made to any party concerning this Agreement, other than the representations, covenants, or inducements contained and memorialized in this Agreement, the ERIP Information Sheet, and Employee's Participation Agreement. This Agreement supersedes all prior *negotiations and oral and written agreements and understandings with respect thereto*.

#### **Article 8. Binding Effect**

This Agreement is binding upon, and inures, to the benefit of the successors, executors, administrators, heirs and legal representatives of the parties hereto. This Agreement is not assignable by any party. Any purported assignment by any party shall be null and void and will not operate to relieve such party of its obligations hereunder.

#### **Article 9. Governing Law and Severability**

**Section 9.1** This Agreement is governed by the laws of the State of Minnesota, both as to interpretation and performance. The rule of construction of interpreting a contract against its drafter will not apply to this Agreement.

**Section 9.2** If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid, or unenforceable by any branch of government with authority over such provision or portion thereof, the remainder of this Agreement shall be deemed severable, shall not be affected, and shall remain in full force and effect.

#### **Article 10. Voluntary and Knowing Action**

Employee acknowledges that: (1) he/she has read and understands the contents of this Agreement and has determined that signing it is in his/her best interests; (2) he/she has been

given a fair opportunity to discuss and negotiate the terms of this Agreement; (3) he/she has been advised and encouraged to and had a fair opportunity to consult an attorney before signing this Agreement; (4) he/she agrees with the Agreement's provisions and is knowingly voluntarily and without duress entering into this Agreement; and (5) he/she has been given at least 21 days to consider this Agreement. If Employee signs the Agreement before the expiration of the 21 day period, it is because he/she has decided voluntarily that he/she does not need any additional time to decide whether to sign the Agreement.

**Article 11. Effective Date**

This Agreement is not effective nor executed until the last day of Employee's employment with the City.

By: \_\_\_\_\_  
EMPLOYEE

Dated: \_\_\_\_\_

STATE OF MINNESOTA    )  
  ) SS  
COUNTY OF DOUGLAS    )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, before me personally appeared \_\_\_\_\_, to me known to be the individual(s) who acknowledged that he/she executed the above document and did so of his/her own free act and deed.

(stamp)

\_\_\_\_\_  
Notary Public

Accepted on behalf of the City of Alexandria

By: \_\_\_\_\_  
Mayor

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
City Administrator

Dated: \_\_\_\_\_

## **AMENDED EARLY RETIREMENT INCENTIVE PLAN INFORMATION SHEET**

The City of Alexandria, Minnesota (City) has implemented the below-described Early Retirement Incentive Plan (“ERIP”) to provide employees who may be considering retirement an incentive to retire and to subsequently save the City money by reducing budgeted annual salary related costs. The City has determined that additional time will be needed to facilitate the smooth transition of the duties of the City’s department heads who choose to participate in the ERIP. Therefore, the ERIP is hereby amended as follows.

### **Section 1. Eligibility**

Employees who satisfy the following criteria are eligible to apply to participate in the ERIP:

- a. The employee must be eligible for a retirement annuity from a public retirement plan such as Public Employee Retirement Association (PERA); and
- b. The employee must be a regular full-time City employee with at least 10 consecutive years of service prior to the employee’s expected retirement date; and
- c. On the date the employee chooses to retire, the employee must be participating in a City-sponsored group health insurance plan.

### **Section 2. Requirements**

In addition to being eligible as provided in Section 1 of the ERIP, employees’ participation in the program is conditioned on compliance with the following requirements:

- a. A City of Alexandria employee must apply for the ERIP by submitting the attached Participation Agreement no later than noon on the following dates: department heads – June 30, 2020; all other employees - August 14th, 2020; and
- b. The employee must resign and retire on or before October 31st, 2020; and
- c. The employee must execute the attached Release of Claims Agreement and submit the same to the City Administrator or Personnel Director on the employee’s resignation date stated on the employee’s Participation Agreement, and the employee must not rescind that Release of Claims Agreement per Article 5 of that Agreement.

### **Section 3. Program Benefits**

Contingent on approval by the City Council, each employee approved to participate in the ERIP will receive \$1,106.25 monthly for up to sixty (60) months or until the participating employee is sixty five (65) years of age, or the age at which the participating Employees becomes eligible for Medicare, should that age be changed after the City Council’s adoption of this plan, whichever is sooner, for the purpose of financing health insurance coverage for participating employees and their dependents, if any. Please note that the age factor will be adjusted to match the eligible age for Medicare should the law be changed during the period the ERIP is being considered by employees. The gross proceeds up to but not to exceed \$66,375.00 owing to a participating employee under this program will be deposited into the participating employee’s Minnesota Service Cooperative Plan Trust “VEBA” account.

Participating employees will also be eligible for payment in full for any unused vacation time and 50% of unused accumulated sick leave up to a maximum of sixty (60) days. Payment of unused vacation and accumulated sick leave will be made directly on the election of the

employee to the employee's VEBA or Health Savings Account (not to exceed the maximum contribution allowed by the IRS) or to the employee, in a cash payment subject to any applicable payroll deductions and withholdings. A participating employee may elect to use and exhaust his/her vacation time before his/her actual employment termination date up to and including October 31st, 2020 subject to the approval of the participating employee's department head.

The ERIP benefits described in this section will be issued to participating employees as consideration for said employees' early retirement and execution of the attached Release of Claims agreement. The benefits described in this section will be issued to participating employees only after said employees have met all the requirements specified in Section 2 above.

**Section 4. Retiree Health Coverage Continuation under Minn. Stat. § 471.61, subd. 2b.**

A participating employee and his/her dependent(s) who are eligible to receive a retirement annuity from a Minnesota public retirement plan such as PERA (the pension service credit need NOT be exclusively with the City of Alexandria) may continue to participate indefinitely in the City's sponsored medical insurance group that the employee participated in immediately before retirement, under and limited to the conditions set forth in Minnesota Statutes, section 471.61, subdivision 2b, clauses (a) through (k), which conditions are incorporated herein by reference, provided that the participating employee pays the full premium for such insurance coverage. The City will make no contributions for such employee's retirement health insurance premiums. Participating employees who choose to continue to participate in the City's insurance group may use funds from their Minnesota Service Cooperative Plan Trust "VEBA" account to pay said insurance premiums.

**Section 5. Program Application**

Eligible City employees who are interested in the ERIP will have from the date this program was adopted by the Alexandria City Council through noon on August 14th, 2020 (June 30<sup>th</sup>, 2020 for department heads) to apply for participation in this program.

Employees eligible for this incentive program must retire on or before October 31st, 2020. Once an employee's application package is approved, the retirement date cannot be extended or withdrawn; it must be taken on the date selected by the participating employee, except that said employee may retire sooner with the approval of the participating employee's department head.

All Early Retirement Incentive Program applications must be submitted in writing to the City Administrator or Personnel Director no later than noon on August 14th, 2020 (June 30<sup>th</sup>, 2020 for department heads). However, to facilitate planning and transitions, the City encourages employees to communicate their decisions regarding this opportunity as soon as they can be made.

**Section 6. City's Right to Approve or Deny**

This offer is available to City of Alexandria employees who are participating in a City-sponsored group health insurance plan. The City Council reserves the right to decline any employee's application to participate in this early retirement incentive program based upon the best interest of the City as determined by job-related factors and as consistent with

business necessity. The decision to accept or decline any employee's application to participate in this ERIP shall be made by the City Council at its first regular meeting following the applicable application deadlines set forth herein.

**Section 7. Other Considerations**

- Consideration of this offer and acceptance thereof are strictly voluntary.
- To accept this offer, an eligible employee must complete and submit the enclosed Participation Agreement to the City Administrator or Personnel Director by noon on August 14th, 2020 (June 30<sup>th</sup>, 2020 for department heads).
- Employees considering this offer may wish to consult financial and/or legal counsel at their own expense prior to executing the attached Release of Claims agreement.
- All payments made to participating employees under this plan will be subject to any applicable payroll deductions and withholdings.

**Section 8. Original Terms in Effect**

Except as modified herein, all terms and conditions of the Early Retirement Incentive Plan (ERIP) adopted by the Alexandria City Council on May 26, 2020 remain in full force and effect.

Adopted by the Alexandria, Minnesota, City Council on June 8, 2020.



2015 First Avenue, Anoka, MN 55303  
Phone: (763) 576-2700 Website: [www.anokaminnesota.com](http://www.anokaminnesota.com)

# City Of Anoka

## Voluntary Early Retirement Incentive Program Information Sheet: 2024

### POLICY

The City of Anoka has developed this Voluntary Early Retirement Incentive Program that will allow for maximum efficiency and effectiveness within the City. Eligible employees may take advantage of this program, which was developed to meet Business and Succession Planning needs. Application for the Voluntary Early Retirement Incentive Program is strictly voluntary and is open only to those City employees who meet the requirements listed below. **Completed Participation Agreement must be submitted to the Administration Department at least 6 months prior to the planned retirement date, or as approved by the City Manager**

### ELIGIBILITY

1. You are a full-time benefit earning employee on January 1, 2024 that has twenty (20) or more consecutive years of full-time benefit earning service or a part-time employee that has thirty (30) or more consecutive years of part-time service, by your planned retirement date.
2. Employee is fifty-five (55) years of age (Public Employee Retirement Age) or more as of the date of planned retirement.

### VOLUNTARY TERMINATION INCENTIVES

If an employee voluntarily decides to take advantage of this program and terminates employment by December 31, 2024, the following benefits will be received by the employee:

- The City will provide the terminating part-time employee \$5,840 (*annually increased by approved COLA*). Payment is made to the employee.
- The City will provide the terminating full-time employee \$11,678 (*annually increased by approved COLA*). Payment is made to the employee.
- Full-time employees that participated in a Medical Plan through the City on January 1, 2024 will receive the equivalent of the annual City contribution towards their Healthcare Savings Account (HSA) in effect at the time this incentive program is effective. This amount is deposited into the employee's Healthcare Savings Account (HSA)

- Full-time employees that participated in a Medical Plan through the City on January 1, 2024 will receive the equivalent of twelve (12) months City contribution towards the employee's selected health care coverage in effect at the time this incentive program is effective, to be deposited into a Post Employment Health Care Savings Plan (HCSP) administered by Minnesota State Retirement System (MSRS).
- If employee waived health insurance coverage at the time of adoption of this incentive program, the City will pay the full-time employee the equivalent of twelve (12) months of the current waiver amount. Payment is made to the employee.

These payments are payable within thirty (30) days of separation of employment.

Annual leave balances (vacation, sick and comp time) will be paid in accordance with City policy for non-union employees or in accordance with current labor agreements.

### **ADDITIONALLY**

- An employee may rescind the resignation at any point, prior to the City posting the job opening.
- Consideration of this offer and acceptance thereof is strictly voluntary.
- Employees considering this program are encouraged to consult legal counsel prior to executing a Release of Claims form.
- Employees considering this program are encouraged to contact PERA prior to signing the program agreements, in order to receive and understand the PERA retirement qualifications, benefits, process and options.
- All payments made to participating employees under this plan will be subject to any applicable payroll deductions and withholding.



2015 First Avenue, Anoka, MN 55303  
Phone: (763) 576-2700 Website: [anokaminnesota.com](http://anokaminnesota.com)

## City Of Anoka Voluntary Early Retirement Incentive Program Participation Agreement: 2024

I hereby apply for the Voluntary Early Retirement Incentive Program (VERIP) from the City of Anoka. I have read the VERIP Information Sheet in this packet and understand the terms and conditions of the VERIP and agree to be bound by those conditions.

I agree that if this application for the VERIP is approved by the City, I will resign from my employment with the City of Anoka on the following date:

\_\_\_\_\_  
**(date)**

I understand that this application for the VERIP will be approved or denied based upon the best interests of the City as determined by job-related factors and as consistent with business necessity and that such decision is solely in the City's discretion.

I understand and agree that upon submittal of my application, and receipt of tentative approval from the City, I further understand and agree that I will sign the Release of Claims Agreement provided to me as a part of the VERIP packet on my last day of employment with the City and that my participation in the program is contingent upon the City's receipt of that signed agreement.

I agree that, when I return my application, and I have provided the City with a signed and dated Release of Claims Agreement as set forth above, the City of Anoka will provide me with the benefits and additional pay as set forth in the Voluntary Early Retirement Incentive Program Information Sheet.

Signature \_\_\_\_\_

**Application must be submitted to Administration as soon as employee has decided upon their participation. Must be submitted at least 6 months prior to your planned retirement date, or as approved by the City Manager.**



## **Release Agreement Early Voluntary Retirement**

This is an agreement (the “Agreement”) between \_\_\_\_\_ (hereinafter “Employee”) and the City of Faribault (hereinafter the “City”) regarding Employee’s early voluntary retirement from employment with the City and Employee’s acceptance of certain benefits in exchange for signing this release agreement. The purpose of this Agreement is to fully resolve any and all early incentive retirement benefits, any regular retirement benefits, and any and all disputes/claims concerning employment, early retirement and/or regular retirement with the City.

Terms and conditions for this program are outlined in the 2023 Early Retirement Incentive Program (the “Program”), a copy of which is attached and made part of this Agreement, as approved by the Faribault City Council.

1. In exchange for the promises and agreements made by Employee in this Agreement, the City will provide Employee with the following benefits:
  - a. Payment of any accrued leave according to termination consideration set forth in any employee contract or employee compensation guidelines.
  - b. A lump sum payment in accordance with the financial incentive payment section of the Program (with the amount specified below). The lump sum payment along with any other negotiated or agreed upon retirement benefits shall be made to Employee within fourteen (14) days after the expiration of the rescission/revocation periods identified in Paragraph 3 herein.
  - c. As permitted or required by law, retired employees may stay on the City’s health insurance, but will be required to pay the full premium for the plan they select.
  
2. In exchange for the benefits provided by the City as described above, Employee agrees to the following terms:
  - a. Date of retirement shall be no later than \_\_\_\_\_.
  - b. The lump sum payment amount shall be \$\_\_\_\_\_.
  - c. This agreement constitutes the entire agreement between the parties with respect to the employment relationship between Employee and the City, and replaces any and all prior

agreements or understandings, including collective bargaining agreements, and the parties agree that there were no inducements or representations leading to the execution of this Agreement except as herein contained.

- d. In consideration of the terms described in this agreement and release of claims, Employee and their heirs, administrators, representatives, successors, and assigns, releases and forever discharges the City and its attorneys, agents, representatives, employees, former employees, insurers, heirs, executors and assigns of and from any and all past, present or future claims, demands, obligations, actions or causes of action, at law or in equity, whether arising by statute, common law or otherwise, and for all claims for damages, of whatever kind or nature, and for all claims for attorneys' fees, costs and expenses, including but not limited to all claims of any kind arising out of your employment, including but not limited to claims for emotional distress, discrimination, or constructive discharge. Employee specifically releases the City from any claims for benefits, salary, severance payments, or any other benefits to which you might otherwise be entitled.
- e. Employee is not releasing or relinquishing any right to defense and indemnification by the City for any possible claims asserted by third parties arising out of the performance of Employee's duties as an employee of the City for which the City is obligated by state or federal law to defend and indemnify the Employee.
- f. In consideration of the terms described in this agreement and release of claims, Employee further acknowledges they are knowingly and voluntarily waiving all possible rights or claims arising under the Age Discrimination in Employment Act, 29 U.S.C. 626, and all possible rights or claims arising under the Minnesota Human Rights Act, Minn. Stat. 363A, et al., and that Employee has had an opportunity to consult with an attorney concerning the waiver of and content of the rights available under these acts.
- g. Employee further acknowledges they are waiving and releasing any rights that Employee might otherwise have under the City Charter, and state or federal law with respect to a hearing with respect to any matter arising out of Employee's employment with the City or arising out of matters set forth in this Agreement.
- h. Employee acknowledges that all confidential information regarding the business of the City compiled by, created by, and obtained by, or furnished to Employee during their employment with the City is the exclusive property of the City. Employee will promptly, on or prior to the date of Employee's retirement, return to the City all originals and copies of any material involving such confidential information. Employee affirms and agrees to abide by their obligation not to use or disclose confidential information about the City to any third party, including but not limited to potential employers, parties doing business with the City or parties with interests adverse to the City. Employee further affirms they understand that the term "confidential information" includes, but is not limited to, sensitive

and/or legally privileged data, but does not include information and documents already in the public domain.

- i. Employee acknowledges they voluntarily entered into discussions with Administration regarding the Early Voluntary Retirement program. Employee further acknowledges that both parties mutually agreed to the terms and conditions of this program under the auspices that the purpose of the program is to aid an employee who wants to retire but needs assistance with health insurance coverage and that the City benefits in the short term and/or long term from the reduction in salary/benefits/severance costs.
  - j. The City reserves the right to cancel this program at any time. However, any employees that have fully executed agreements will still be entitled to receive the incentive, assuming they have complied with all the terms and conditions of this program and the agreement.
3. This Agreement is subject to the following rescission/revocation periods as provided by law:

<u>Act</u>	<u>Revocation Period</u>
Age Discrimination in Employment Act, 29 U.S.C. § 626(f) (1) (G)	7 days
Minnesota Human Rights Act, Minn. Stat. § 363A.031, Subd. 2	15 days

Once the Agreement has been executed, the Employee understands that he/she has the right to rescind and/or revoke the waivers and releases contained in this Agreement. To be effective, the rescission or revocation must be in writing and delivered to the City either by hand or mail within the 7-day period for the Age Discrimination in Employment Act, or within the 15-day period for the Minnesota Human Rights Act. If delivered by mail, the rescission or revocation must be: (1) postmarked within the applicable 7- or 15-day period; (2) properly addressed to the City; and (3) sent by certified mail return receipt requested. The address of the City is:

City of Faribault  
Attention: Kevin Bushard, Human Resources Director  
208 NW 1<sup>st</sup> Avenue  
Faribault, MN 55021

**IN WITNESS WHEREOF**, City has caused this Agreement to be executed on its behalf by its Mayor and City Council, and Employee has signed this Agreement, as of the day and year written below.

**CITY COUNCIL**

**EMPLOYEE**

**By:** \_\_\_\_\_  
Kevin F. Voracek, Mayor

\_\_\_\_\_  
*(Employee Signature)*

**By:** \_\_\_\_\_  
Timothy C. Murray, City Administrator

**Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_



## 2023 Early Retirement Incentive Program

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Following is an outline of the Early Retirement Incentive Program that is offered to eligible employees on a voluntary basis as a means to (1) provide recognition to employees for service to the City, (2) provide promotion/advancement opportunities for existing employees, (3) be a possible catalyst for organizational/position considerations, and (4) produce (potential) cost savings over time.

1. Eligibility requirements for the program:
  - a) Permanent, fulltime City of Faribault employee
  - b) Age 60 to age 64 on or before December 31, 2023
  - c) Minimum of 5 years of employment with the City of Faribault
  - d) Employee in "good standing" at time of retirement
  
2. Conditions of taking this incentive are proposed as follows:
  - a) Submit notice to participate no later than November 30, 2023, with an effective retirement date on or before May 31, 2024
  - b) Employees must provide a minimum of 90-days' notice of retirement (unless otherwise waived by the City Administrator)
  - c) Notice of retirement is not retractable after three (3) calendar days
  - d) Employees will execute an agreement accepting the terms and conditions of the program (to be approved by City Council)
  
3. Determination of financial incentive payment:
  - a) City will compensate the employee an amount based on the 2024 relative cost for the \$3,500 Deductible Plan, Single Coverage (\$845.60/month) times the number of months from the date of retirement to the time the employee reaches Medicare-eligible age (65).
  - b) The minimum payment for any employee will be for 12 months (\$10,147.20), and the maximum payment will be for 36 months (\$30,441.60).
  - c) Payment will be a lump sum at the time of retirement with other accrual/severance payouts. For most contracts and plan agreements of the

city, going 100% into a Health Care Savings Plan (HCSP) and for others in accordance with their local union contract.

The HCSP would include the following:

- The City of Faribault and specifically the early retirement incentive program eligible employees, who participate in the plan which provides tax free contributions to the plan as well as tax free earnings and reimbursement of funds to the participant upon termination of employment from public service, regardless of age.
  - The HCSP is a tax-free account where contributions and reimbursements are not reportable on the employee's state or federal income tax returns. The monies can be utilized by the employee for reimbursement of eligible medical expenses, tax-free, for as long as there are monies in the account. If the participant were to pass away with monies in the account then they pass to the spouse or dependent children under age 26, tax-free and can be utilized the same way. If there is no spouse or eligible dependents, then those monies pass to a beneficiary to be used in the same manner, but they are then paid as ordinary income.
- d) Per existing labor agreements, retired employees may elect to stay with City health insurance coverage until Medicare-eligible age, but will be required to pay the full premium for the plan they select.

The City reserves the right to cancel this program at any time. However, any employees that have fully executed agreements will still be entitled to receive the incentive, assuming they have complied with all the terms and conditions of this program and the agreement.

## **Exhibit A - Early Out/Retirement Proposal – Draft**

This draft is presented to the City Council to start the discussion on downsizing the city organization. If the City Council selects any scenario A-D, a reduction in employment is necessary.

There are several open positions that could be frozen at this time, and examined one-by-one to determine if the position is necessary. Additionally, the City has in the past offered an early out/retirement proposal. Each time the early out/retirement has been proposed, the offer has been different. Over the last several weeks Laura Blair Johnson and I have been working with attorneys to identify the process, and what is a legal offer to government employees.

Council should consider the timing and process of the offer. The offer should be made in early August so that employees have 30-60 days to consider the offer. Employees who accept the offer, must be given 45 days to reconsider. Employees accepting the offer would complete their employment in December.

The following ideas are not a recommendation. These are ideas we are exploring, and outlining for you so that you can provide some preliminary feedback.

### Option 1: Enhanced Sick Leave Bank

Employees who have worked for the City a minimum of ten years, are offered an additional 25% of their sick leave bank as part of their severance package. Employees of the City can earn up to 1000 in a sick leave bank. Upon departure, employees receive a portion (33% or 50% depending on whether the employee is on an ICHRA insurance plan) of the sick leave bank as part of their severance package.

### Option 2: Funding toward ongoing Insurance costs

Employees are offered 1 month health care insurance for every year they have worked for the City up to 24 months, and with a \$30,000 cap. This would be based on the current insurance plan selected. The cash value of this would be deposited into the employee's HSA fund for future medical related expenses.