

**SPECIAL COUNCIL MEETING
CITY OF CROSSLAKE
MONDAY, MARCH 22, 2016
5:30 P.M. – CITY HALL**

The Crosslake City Council met in the Council Chambers of City Hall on Tuesday, March 22, 2016. The following Council Members were present: Mayor Steve Roe, Brad Nelson, Gary Heacox, Mark Wessels. Dave Schrupp was present via Skype. City Administrator/Consultant Dan Vogt was present via telecom. Also present were Finance Director/Treasurer Mike Lyonais, City Clerk Char Nelson, Public Works Director Ted Strand, Police Chief Bob Hartman, Police Officer Bobby Willard, Crosslake Communications Employees Lydia Orlando, Ron Schmidt, Bill Gordon, and Northland Press Reporter Kate Perkins. There were four people in the audience.

Mayor Roe called the Special Council Meeting to order at 5:30 P.M. The Pledge of Allegiance was recited. Mayor Roe stated that he called this meeting so that the Council could reconsider the special retention agreement with two employees from Crosslake Communications that was approved at the Special Meeting on 3-17-16. A MOTION WAS MADE BY MAYOR ROE AND SECONDED BY DAVE SCHRUPP TO RECONSIDER AND REVIEW THE RETENTION AGREEMENT. Mayor Roe requested Council comments.

Mayor Roe stated that the Council did not follow the proper process in approving the agreement. Once drafted, the agreement should have been reviewed by the Personnel Committee and Administration. The first time the Mayor saw the agreement was at the meeting of 3-17-16.

Brad Nelson stated that the retention of the two employees in question is necessary and crucial to the process of obtaining bids and completing the sale of Crosslake Communications. The agreement was recommended for approval by consultants working with Crosslake Communications and reviewed by two attorneys. Mr. Nelson admits that the process could have been handled better but that this needs to be approved. Mr. Nelson stated that the City should not be running a business and that he was not concerned about how other employees viewed the issue.

Mark Wessels stated that against his usual practice, he voted for the agreement before he looked at it. Mr. Wessels agreed that it should have been reviewed by Administration Staff but that he is still in favor of the agreement. Mr. Wessels stated that the two employees are important and needed during this stressful time. Mr. Wessels stated that he would consider changing the wording from "retention" agreement to "severance or bonus" agreement.

Dave Schrupp stated that the situation is unfortunate for all of the Crosslake Communications employees and that employee morale is shot throughout the City. Mr. Schrupp suggested that the buyer be responsible for the payment of the retention agreement or that CTC employees fill in as needed should employees terminate employment.

Gary Heacox stated that these types of agreements are common in the private sector and that this should not be compared to other employees in the City because they are not going to lose their jobs.

Dave Schrupp asked if the City had a severance policy. The City does not have a written policy, just past practice. Gary Heacox stated that the past employees who were terminated were not working to help eliminate their own positions and that the two Crosslake Communications employees have had to take on extra work.

Mayor Roe stated that he has difficulty paying managers extra for something they are expected to do. Although this is a difficult situation for these two employees, it is brutally difficult for the rest of the employees to watch this type of special treatment. The City is a whole team that includes the phone company. Mayor Roe asked that the City Administrator comment.

Dan Vogt stated that he and the City's labor attorney thought that the agreement should be rescinded. The public sector is different than the private sector. Mr. Vogt suggested that the wording of the agreement be changed and that a redrafted agreement be reviewed by the Advisory Board and Personnel Committee before coming to the Council for consideration. Mr. Vogt thought that the dollar amount associated with the agreement was extreme and the labor attorney was concerned that this could make union negotiations more difficult.

Dave Schrupp added that the City has employees that don't even make \$30,000 in a year. Dan Vogt stated that his and the labor attorney's recommendation would be to rescind the agreement, although the Council needed to make the final decision. They suggested that a severance agreement be offered if the company ceases to exist.

Brad Nelson stated that he is concerned that this is a tactic to delay the process of selling Crosslake Communications. He is okay if the intent is to rescind, review and return with new draft. Mayor Roe replied that he is not trying to delay the process. Dave Schrupp stated that he is still in favor of moving ahead with the process and suggested that a severance policy be adopted that was based on years of service and current salary.

Mark Wessels stated that the intent of the agreement is to stop these two employees from job seeking and that he wants to leave the agreement as is. Brad Nelson stated that the proper process should be followed and although he is not happy about it, he will do it.

MOTION 03S2-01-16 WAS MADE BY STEVE ROE AND SECONDED BY DAVE SCHRUPP TO RESCIND THE SPECIAL RETENTION AGREEMENT WITH TWO CROSSLAKE COMMUNICATIONS EMPLOYEES AND TO SEND A REDRAFTED AGREEMENT THROUGH THE PROPER CHANNELS. MOTION CARRIED 3-2 WITH HEACOX AND WESSELS OPPOSED. Original motion was dropped and reworded.

The Mayor adjourned the meeting at 6:00 P.M.

Respectfully submitted by,



Charlene Nelson
City Clerk
City Clerk/Minutes/3-22-16