

**MINUTES/FINANCE COMMITTEE**

**Monday, June 30, 1997 - 6:00 p.m.**

Members present: Carpenter, Babinchak, Bakken, Hamerlik.

1. Matter of Taxable Water Reserve Revenue bonds, Series 1997B

Alan Erickson, Springstead, reported that bids were taken this morning, received 7 bids, low bid Smith Barney, Inc. with a taxable rate of 7.127%. He reported that the bonds were rated A-1, the rate is on utility itself, the G.O. Bond rating was renewed and refined by Moody's as they have instituted new rating system for the tax exempt general obligation bonds, includes number gradients, City received Double A3 rate. Moved by Bakken and Babinchak that we accept the low bid of Smith Barney, Inc. at a taxable rate of 7.127%, and adopt the resolution authorizing the issuance and awarding the sale of Taxable Water Reserve Revenue Bonds, Series 1997B to finance the undertaking of an expansion and improvement of the municipal water utility. Motion carried.

2. Matter of offer from PS Doors to purchase property at 1518 Mill

Road (former street/sanitation department).  
This item was withdrawn.

3. Matter of compensation proposals for overtime during flood emergency.

Dan Gordon, director, Human Resources, presented compensation proposals, which were three of the best options, and reviewed with the committee and that options do include exempt personnel:

Option #1: first 40 hours at time and one-half and double time for any additional time for period April 18 to 30 - total cost \$293,511.78.

Option #2: first 40 hours at straight time, 41 to 59 overtime hours at time and one-half, and overtime hours exceeding 60 hours at double time for period April 18 - May 17 - total cost \$79,750.72.

Option #3: first 40 hours at straight time, and any additional time at double time for period April 18 to May 17 - total cost \$201,073.46.

He stated he wanted to bring up potential of this being reimbursed by FEMA, and noted that the award given to the County employees was not reimbursed, and key to reimbursement is that it must be a pre-existing policy (ie., call-back

policy) and then chances of reimbursement are much greater. He stated that City has policies which may or may not relate, and that reimbursement is not a guarantee.

The committee asked how hours for exempt employees determined; Mr. Gordon reported that exempt employees kept record and submitted to Human Resources. Hamerlik questioned whether FEMA would pay for exempt employees; Mr. Gordon stated that reimbursement for exempt employees more difficult, but nothing prohibits us from paying overtime to exempt employees through emergency situation. Mr.

#### **MINUTES/FINANCE COMMITTEE**

#### **June 30, 1997 - Page 2**

Gordon reported that all overtime submitted to FEMA for reimbursement and we are seeking another half-time.

Ken Vein, city engineer, stated his only concern is the time frame they are looking at, start on April 18, which is the recovery aspect and doesn't include flood fight and engineering/public works departments spent considerable amounts of time in the two weeks prior to this and worked 20-22 hour days which is well beyond the normal flood fight and believes they are not being included in the time frames for the flood emergency - started even before the ice storm, but there has to be a starting time, and would like to see that when they put together time frames for whichever type of compensation they do is to include the time that engineering and public works departments (and others) spent time for floodfighting. He stated they had lot of exempt engineers who worked excessive hours and would not be compensated for that under this program and feels that in fairness to them because of hours they put in and effort towards city should be due same as that put in after that time.

Mike Flannery, employee rep. for police department, urged committee to take some move towards compensating employees who did work during this time frame; that Option #2 or Option #3, straight time for the first 40 hours does not address inequity between those employees that were not in the city and not working and those that were. He urged committee to strongly consider Option #1 which is the only one which appears to address the inequity issue.

Hamerlik stated that they should do something for extraordinary service and has no problem with moving back couple weeks.

Mr. Swanson reported he has reviewed FEMA regulations, discussed with other communities and thinks it would behoove this body not to anticipate reimbursement from FEMA for anything other than what is mandatorily required under Fair Labor Standards Act under, which is time and half pay for nonexempt employees working more than 40 hours. Babinchak stated it wasn't question of whether reimburse-able by FEMA or not, but whether this was the right thing to do, and would support Option #1. She also noted that there are other emergencies (snow storms, etc.) and where does this end.

Carpenter stated he would support Option #2, that people have a job and were getting paid for it and were there, some people abused it by not showing up and could have been and in long run will pay a price for that. He stated that City paid for employees who didn't come for a period of time, and because we did that, now being told there are inequities and should compensate people who did show up.

After further discussion it was moved by Babinchak to adopt Option #1, the motion died for lack of a second.

#### **MINUTES/FINANCE COMMITTEE**

**June 30, 1997 - Page 3**

Moved by Bakken and Hamerlik to adopt Option No. 2.

Mr. Vein stated that one of the reasons that they looked at the engineers was because when made last modification to the City Code, put them from non-exempt to exempt status, that they are only set of professionals not paid overtime because considered exempt, that they need to look at them and remove them from exempt status because being treated differently than any other professional status within the city and that is why supporting the two weeks in advance, that they deserve that and should be paid for time put in. Committee asked why they were made exempt and then paid at a little higher level, and Mr. Vein stated that they thought all departments would be following suit, and that wage consultants wouldn't take that into consideration. Mr. Gordon stated that whatever date is proposed would not only be for the engineering department but for everyone who worked those excessive hours.

Bakken stated he would like to change his motion from one week before and four weeks after - April 11 to May 17; Hamerlik

agreed.

Babinchak stated that what they were going to do wouldn't benefit anybody that was here working, they're not giving them anything extra and she thought that was point of this whole thing, that people who showed up for work and made sacrifice to come would be compensated and the people who stayed at home got paid their regular pay, and that Option #2 doesn't do that.

After further discussion and upon call for the question the motion carried; Babinchak voted no.

Motion carried; Babinchak voted no.

4. Request from MetroPlains for letter of support for use of low

income housing tax credits for the rehabilitation of Riverside

Manor Apartments (former St. Anne's Rest Home).

A communication from MetroPlains Development, Inc. stating that Riverside Manor Apartments, former St. Anne's Rest Home, sustained significant damage due to the flood on April 17, that they have received a conditional commitment of low income housing tax credits from the ND Housing Finance Agency which will help raise approx. \$128,000 of equity for the rehabilitation work, and in order to turn this commitment to a reservation they need a letter of support from the city council for the use of low income housing tax credits for the rehabilitation by August 18, 1997. The communication also stated that they used low income housing tax credits to raise equity for the original restoration of the building and therefore nothing will change re. the affordability or the land use restrictions on the property.

There was some discussion whether this property was located within the 100-year flood plain and whether this building received over 50% damage. Comm. stated they didn't want to give letter of

**MINUTES/FINANCE COMMITTEE**

**June 30, 1997 - Page 4**

support and then find out can't rehab. Mr. Vein reported that as of June 26 their inspection report shows that the building wasn't substantially damaged but couldn't confirm whether inspection made to validate that report.

Moved by Bakken and Babinchak to give a letter of support

subject to a building permit being able to be issued. Motion carried.

4. Hamerlik stated that realizing they have a flood response committee, he was concerned that finance committee meeting seldom with very few items and that this is critical time as far as finances are concerned. Carpenter stated he has some of the same concerns, that after a quick review of the recovery action plan it becomes evident that lot of things could be going through the regular committees and there's some concern as to what is or isn't and will need to have some discussion on that point in particular.

Moved by Babinchak and Polovitz to adjourn, meeting adjourned at 6:55 p.m.

Alice Fontaine  
City Clerk

Dated 7/01/97