



AGENDA ITEM #10.3

REPORT TO CITY COUNCIL

Report Prepared by: Nancy Malecha

Date: February 29, 2016

Subject: Quote for Personnel Policies Project

Report: The City's personnel policies are in need of being revised as they are outdated and do not reflect the new personnel structure of a City Administrator. Attached is a quote from Flaherty & Hood, the City's legal counsel, to perform personnel policy review services. As part of these services, all employment-related policies, City ordinances, and contracts will be reviewed with the final product being a revised personnel policy which includes all employment-related policies.

This quote for services is not included in the City's 2016 Budget; therefore, I am recommending that the cost be paid from fund balance or Council contingency.

Council Action Requested: Council motion approving Phase 1 and 2 of the Personnel Policies Project with Flaherty & Hood at a cost range of approximately \$2,430-\$3,645 to be paid from fund balance or Council contingency.

QUOTE FOR PERSONNEL POLICIES PROJECT

To: Nancy Malecha, City Administrator, City of Pequot Lakes

From: Brandon M. Fitzsimmons, Shareholder Attorney

Date: February 4, 2016

Re: Quote for Personnel Policies Project

Here is a quote for estimates of Flaherty & Hood, P.A. completing the following services related to the City of Pequot Lakes (City) personnel policies.

Personnel policies are a valuable communication resource for the employer and employee. These policies provide: (1) guidance and information for management and employees related to a city’s mission, values, objectives, policies, procedures, expectations, and benefits in a written format; (2) defenses to legal claims; and (3) “gap-fillers” for items not expressly provided in a labor contract. To ensure policies are clear, legal and industry appropriate, and preserve management rights, cities should conduct a personnel policy review.

Here are detailed estimates related to personnel policy review services Flaherty & Hood, P.A. can provide to the City:

	Service	Time		Cost
		Hours	Total	
Phase 1	<ul style="list-style-type: none"> Review policies, correspond with city, research and draft memo with findings and recommendations, including identification of any legally or best practice deficient policies and recommendations for the revisions to or new policies and implementing the new policies with template implementation documents 	8 to 12 hours	4 weeks	\$1,080 - \$1,620
Phase 2	<ul style="list-style-type: none"> Research and draft revisions to current and new policies, which extent of work is highly dependent on the condition of the current policies and the extent to which the city initially drafts its own revisions 	10 to 15 hours	6 weeks	\$1,350 - \$2,025

Nancy Malecha, City Administrator
February 4, 2016

The fees for services are at the hourly rate for labor and employment services for the City of \$135 per hour. The cost estimates above are dependent on the extent of information necessary to be reviewed, analyzed and changed. Therefore, the actual cost of each phase may be lower or higher than these estimates.

If the City desires to minimize the costs of Flaherty & Hood, P.A. doing this review, the most effective way to do this is to modify the current policies by including language from the League of Minnesota Personnel Policies Template, available at [Personnel Policy Template \(Word\)](#), as this template is a solid starting point for Minnesota city polices. Then, Flaherty & Hood, P.A. can begin its review.

If you have any questions related to this quote, please contact me at your convenience at (651) 259-1910 or bmfitzsimmons@flaherty-hood.com.