



COMMITTEE OF THE WHOLE AGENDA
May 20, 2013 - 5:30 PM
City Hall Council Chambers

Committee of the Whole Meeting

1. Sandbags/Emergency Measures Policy Discussion _____
2. Brewer On-Sale & Off-Sale Ordinance _____
3. Classification & Compensation Study and Future Revenue Planning Discussion _____
4. City Manager Reports _____
 - A. City Clerk Presentation - 2013 Ordinance Housekeeping _____

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Mayor and Council Communication

May 20, 2013

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SUBJECT: Sandbags/Emergency Measures Policy Discussion

RECOMMENDATION: The Mayor and City Council are asked to consider information related to City of Moorhead policy regarding sandbags and emergency measures for future flood events.

BACKGROUND / KEY POINTS: As the City enters the final phase of flood mitigation acquisition and infrastructure projects, property owners will be better-positioned to make informed decisions if the City Council adopts a clear policy with respect to provisions for sandbags and emergency measures for future flood events. Information and issues for Council consideration are outlined below.

- ◇ Historic flood event crests:

Date	Crest
03-28-2009	40.84
04-18-1997	39.72
04-07-1897	39.10
04-09-2011	38.81
04-15-1969	37.34
04-05-2006	37.13
03-21-2010	36.99
04-14-2001	36.69
04-09-1989	35.39
04-19-1979	34.93

- ◇ Historic 100-year and 500-year flood stages:

Source	100-yr	500-yr
FEMA, 1987 Flood Insurance Study	38.3	42.2
FEMA, 2012 Flood Insurance Study ¹	39.3	43.5
USACE, 2013 update ²	42.1	46.3

¹Effective Flood Insurance Study for regulatory purposes adopted February, 2012

²Accounts for permanent and emergency measures

- ◇ Prior to 2009, the 1997 event was the flood of record with a crest of 39.72 feet.
- ◇ Prior to 2010, sandbag protection was considered a private property responsibility, and per informal policy, sandbags would not be provided to riverfront properties. However, during most (if not all) events, unfilled sandbags and sand were eventually delivered to

riverfront properties. In 1997 and 2009, operations to prepare bags off-site were initiated, but not until a National Weather Service (NWS) deterministic forecast was available.

- ◇ The 2009 flood of record was the first event with a NWS deterministic forecast exceeding 40 feet. At that time, emergency measures needed for flood stages exceeding 40 feet had not been considered as a part of the City's flood plan. Stages exceeding 40 feet presented flood risk to a large number of properties and infrastructure off of the riverfront. This event, and forecasts for subsequent events, highlighted a need for a continuous line of protection rather than individual property protection, which had characterized previous flood fights.
- ◇ Following the 2009 event, the City initiated a major flood mitigation effort with the following goals:
 - Reduce the need to rely on outside resources for assistance.
 - Reduce response time to less than seven (7) days; the typical deployment time between issuance of a deterministic forecast and the crest.
 - Minimize risk to City finances resulting from unknown Federal and/or State financial assistance.
 - Keep the community in business during flood events.
- ◇ NWS probabilistic forecasts for the 2010, 2011, and 2013 flood events all included a potential to exceed 40 feet. Based on experience from the 2009 event, the City implemented managed, pre-event sandbag operations beginning in 2010.
- ◇ Since 2009, property acquisition and infrastructure projects have incrementally and significantly mitigated flood risk to properties off of the riverfront and City infrastructure. The remaining gaps, with or without structures, can be managed with temporary clay levees constructed along the street side of river lots. There is a cost associated with emergency clay levees and, to the extent needed, the City Council should expect that this will be a local cost for future events.
- ◇ The typical cost for one (1) cubic yard of sandbag levee is approximately \$225, excluding volunteer time. The typical cost for one (1) cubic yard of temporary clay levee is less than \$50.
- ◇ As a result of the mitigation completed to date, combined with the very high financial threshold for a Presidential Disaster Declaration in the State of Minnesota (compared to the State of North Dakota), future disaster declarations (and the associated Federal and State financial assistance) are highly unlikely for all but the most extreme events.
- ◇ Based on experience from the 2013 flood event, the ability to secure a State (Governor's) request for outside assistance (e.g. USACE assistance to construct emergency clay levees) appears to be limited to all but the most extreme events.
- ◇ The City has made one final request for DNR Flood Damage Reduction grant funds which, combined with available local funds, will support a final round of acquisition and infrastructure projects.

- ◇ By the end of 2013, all properties at risk of direct river flooding will have received at least one acquisition offer.
- ◇ Last year, Congress passed the Biggert Waters Flood Insurance Reform Act of 2012. Under this legislation, FEMA is required to make several changes to the National Flood Insurance Program. These changes will significantly increase the flood insurance burden for properties in the 100-year floodplain; particularly those constructed prior to 1975. These properties have historically been supported by subsidized rates with the ability to “grandfather” these rates to subsequent owners. These provisions will be phased out.

FINANCIAL CONSIDERATIONS: On March 25, 2013, Budget Adjustment #13-010 was approved authorizing pre-event flood expenditures in the amount of \$217,000, of which \$166,000 was from General Fund Reserves and \$51,000 was from the Storm Water Utility. Expenditures to date for pre-event flood preparation, flood event response, and clean-up costs currently total slightly over \$485,000, of which approximately \$275,000 consists of contracted labor for loading, transporting, and unloading sandbags. Various costs for which invoices have not yet been received include the following:

- ◇ Tractor Rental – PTO Lift Stations
- ◇ Debagging & Sandbag Disposal
- ◇ Storage Facility Rental

Currently, there are costs totaling \$268,000 in excess of appropriated funds. \$254,000 of these costs relate to tax supported functions and \$14,000 relate to Storm Water and Wastewater functions. A final tally of flood response and clean-up costs will be forthcoming once all invoices have been received and the May 24, 2013 payroll has been processed. The City Council will approve the Flood 2013 close-out budget adjustment on May 28, 2013.

VOTING REQUIREMENTS: Not Applicable

Disclaimer: Voting requirements may be subject to changes in the law, parliamentary procedural matters, or other unforeseen issues. The City Attorney provides opinion on questions of voting requirements in accordance with the Moorhead City Code, Minnesota State Statutes, and parliamentary procedure.

Respectfully Submitted:



Michael J. Redlinger
City Manager

Department: Engineering
Prepared by: Robert A. Zimmerman, City Engineer
Wanda Wagner, Finance Director

Attachments: Property Acquisition Status

Property Acquisition Status After Completion of 2013 Infrastructure Projects

Property Status	Number of Properties	Number Below 42 ft Sandbag Stage	Number Below 40 ft Sandbag Stage	Sandbags for 44 ft Top of Levee	Budget (\$M)
Declined previous offer(s), sufficient contact to assume no further interest	21	16	2	126,854	\$0.00
No offer, declined opportunity to grant easements for proposed City project	6	2	0	13,226	\$0.00
No offer, no interest expressed in proposed City project	14	3	0	24,248	\$0.00
No offer, unique circumstances	2	0	0	8,597	\$0.00
Proposed for follow-up contact, appraisals & offers	44	30	12	290,480	\$9.05
Total	87	51	14	463,404	\$9.05

Sandbag stage is the approximate river stage where sandbag levee construction would begin. It does not necessarily represent structure elevation which would typically be slightly higher.

ORDINANCE NO. 2013-__

AN ORDINANCE TO AMEND AND REENACT SECTION 2-3-3 OF THE MOORHEAD MUNICIPAL CODE TO INCLUDE BREWER ON-SALE AND OFF-SALE INTOXICATING LIQUOR LICENSES

BE IT ORDAINED by the City Council of the City of Moorhead as follows:

SECTION 1: SECTION 2-3-3 of the Moorhead Municipal Code is hereby amended and reenacted to include the following licenses:

N. Brewer On-Sale Intoxicating Liquor Licenses:

1. Notwithstanding any law or ordinance to the contrary, the City of Moorhead may issue a brewer tap room license for the on-sale of 3.2 percent malt liquor produced on the licensed premises.

2. The Applicant for a license under this section must be a brewer licensed under Minnesota Statute ' 340A.301, Subd. 6(d)(I) or (j)

3. Terms and Conditions of license.

i. No licensed is valid until approved by the Commission.

ii. The on-sale of malt liquor permitted by this subsection may only be made during the days and hours that on-sale of liquor may be made by the holders of on-sale intoxicating liquor licenses.

iii. A brewer may only hold one (1) brewer taproom licensed under this subsection and may not have an ownership interest in a brewery licensed under Minnesota Statutes ' 340A.301, subd. 6, clause (d).

iv. The only alcoholic beverage that may be sold or consumed on the premises of the holder of a brewer taproom license will be the malt liquor produced by the brewer upon the brewery premises.

v. Nothing in this subsection precludes the holder of a brewer taproom license from also holding a license to operate a restaurant on the premises of the brewery.

O. Brewer Off-Sale Intoxicating Liquor License:

1. Notwithstanding any law or ordinance to the contrary, the City of Moorhead may issue a license for the off-sale of 3.2 percent malt liquor produced and packaged on the licensed premises.

2. The applicant for a license under this section must be a brewer licensed under Minnesota Statute ' 340A.301, Subd. 6(d)(I) or (j) in order to be licensed for the off-sale of 3.2 percent malt liquor produced and packaged on the licensed premises.

3. Terms and Conditions of license.

i. No license is valid until approved by the City Council.

ii. The off-sale of malt liquor permitted by this section may only be made during the days and hours that off-sale of liquor may be made at an exclusive liquor store.

iii. The 3.2 percent malt liquor shall be packaged in sixty-four (64) ounce containers commonly known as Agrowlers,@ or in seven hundred fifty (750) milliliter bottles and bear a twist-type closure, cork, stopper or plug.

iv. The 3.2 percent malt liquor sold off-sale must be removed from the licensed premises before the applicable closing time of an exclusive liquor store.

v. At the time of sale, the Agrowler@ or 750 milliliter bottle must be sealed by a paper or adhesive band strip or sleeve that is applied over the top of the twist-type closure, cork, stopper or plug in such a manner that the seal must be broken in order to open the container, and the adhesive band or strip or sleeve shall bear the name and address of brewer.

vi. The Agrowlers@ or 750 milliliter bottles shall be identified as 3.2 percent malt liquor, contain the name of the malt liquor, and bear the name and address of the brewer selling the malt liquor unless the alcoholic content is labeled otherwise in accordance with applicable Minnesota law, rules and regulations.

vii. A brewer=s total retail sales at on- or off-sale under this section may not exceed 3,500 barrels per year, provided that off-sales may not total more than 500 barrels per year.

4. A brewer licensed under this section may hold or have an interest in a retail on-sale license issued pursuant to Section 2-3-3 of the Moorhead Municipal Code, but may not have an ownership interest in whole or part, or be an officer, director, agent or any employee of, any other manufacturer, brewer, importer, or wholesaler, or be an affiliate thereof, whether the affiliation is corporate or by management, direction, or control, except as authorized by Minnesota Statutes ' 340A.301, as amended from time to time.

This Ordinance shall take effect upon publication in accordance with the Moorhead City Charter.

PASSED by the City Council of the City of Moorhead this ____ day of _____, 2013.

APPROVED BY:

MARK VOXLAND, Mayor

ATTEST:

MICHELLE FRENCH, City Clerk

First Consideration:

Second Consideration:

Date of Publication:



Mayor and Council Communication

May 20, 2013

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SUBJECT: Classification & Compensation Study and Future Revenue Planning Discussion

RECOMMENDATION: The Mayor and City Council are asked to receive additional and updated information related to the Springsted 2012 Classification and Compensation Study. The City Council will also receive a report from the Finance Director and City Manager regarding long-range revenue forecasting at the conclusion of the 2012 Classification & Compensation Study presentation.

BACKGROUND / KEY POINTS: On April 29, 2013 the Mayor and City Council received a report and presentation from Sharon Klumpp, Springsted Incorporated, on the 2012 Classification and Compensation Plan Update to the City of Moorhead. The study provided specific recommendations for implementing the proposed compensation program in 2013 and in future City Operating Budgets.

A number of questions were posed to City staff following the presentation. The information and statistics below respond to Council inquiries presented during the April 29, 2013 City Council meeting.

Status of Union/Employee Group Wage Settlements (2009-2013)

The table below provides the percentage of wage increases provided to union or employee groups by year. Currently there are two groups who do not have wage settlements for 2012 or 2013.

	2009	2010	2011*	2012	2013	Total
AFSCME	0.5	0	1	0	1.25	2.75
Mgt/Prof/Conf	0.5	0	1	0	1.25	2.75
Fire Fighters & Captains	0.5	0	1	n/a	n/a	1.5
Fire Supervisors	0.5	0	1	n/a	n/a	1.5
Police Officers	3	3	1	0	1.25	8.25
Police Supervisors	0.5	0	1	0	1.25	2.75

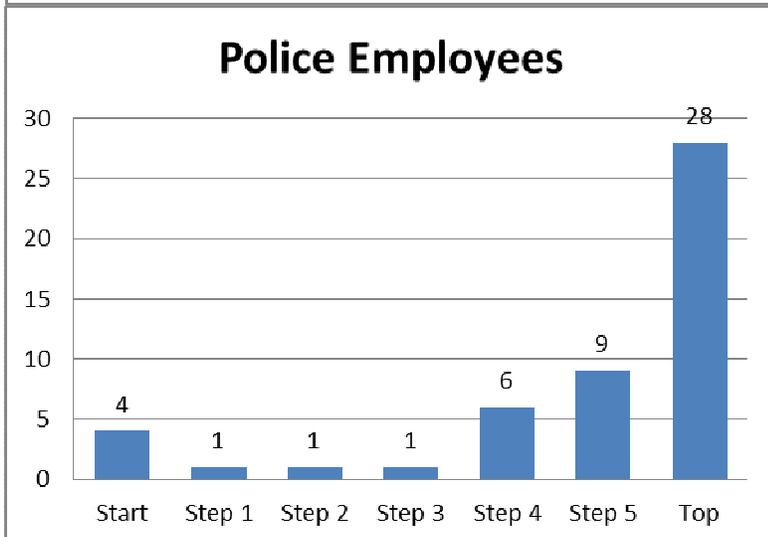
**AFSCME and Mgt/Prof/Conf adopted 10 step wage model*

Status of Employee’s Position on City’s Salary Grid

There are three separate salary grids in the City of Moorhead:

- Firefighters, Captains, and Fire Supervisors follow a 3-point grid
- Police Officers and Police Supervisors follow a 7-point grid
- All other employees follow an 11-point grid

The charts below outline the number of employees at each position in their respective salary grids. The number of employees currently at the “Start” point is 10. The number of employees at midpoint is 31. The number of employees at the “Top” point is 77; or 32%.



Number of Employees who meet “Rule of 90”

Currently there are 8 employees who meet the “Rule of 90” as defined by the Public Employees Retirement Association (PERA). Over the course of the next 5 years, 6 more employees will reach this status totaling 14 current employees.

Annual Rate of Turnover by Union/Employee Group

The table below provides information related to employee turnover and the stated reason for the employee’s departure. Between 2008 and 2012 there were 28 employees who retired from the City. There were 67 employees, or 71% who departed for other reasons.

	FIRE		POLICE		AFSCME		MGT/PROF/CONF		TOTALS
	<i>Leave</i>	<i>Retire</i>	<i>Leave</i>	<i>Retire</i>	<i>Leave</i>	<i>Retire</i>	<i>Leave</i>	<i>Retire</i>	
Year 2008	1	1	4	3	9	3	3	2	26
Year 2009	0	1	3	0	5	3	3	1	16
Year 2010	1	1	2	0	8	3	2	0	17
Year 2011	0	0	1	1	7	1	1	1	12
Year 2012	0	0	2	1	8	4	7	2	24
Totals	2	3	12	5	37	14	16	6	95
	5		17		51		22		

Employees Denied Step Increase due to Performance

In the last five years, 2 employees did not receive an annual step increase due to performance. Both of these employees were on “probation” status at the time of their annual review.

Utilizing Interns or Field Experienced Students in City Positions

There are concrete federal laws that determine whether or not an employer must pay an intern for that intern’s work. The Fair Labor Standards Act (FLSA) has developed criteria for differentiating between an employee entitled to a wage and an intern who may be unpaid. According to the FLSA, there are six criteria for the intern to be unpaid:

1. The internship, even though it includes actual operations of the facilities of the employer, is similar to training which would be given in an educational environment;
2. The internship experience is for the benefit of the intern;
3. The intern does not displace regular employees, but works under close supervision of existing staff;
4. The employer that provides the training derives no immediate advantage from the activities of the intern; and on occasion its operations may actually be impeded;
5. The intern is not necessarily entitled to a job at the conclusion of the internship; and,
6. The employer and the intern understand that the intern is not entitled to wages for the time spent in the internship.

(Department of Labor, 2010)

According to the Department of Labor, **if all of the above criteria are met**, an employment relationship does not exist under the FLSA, and the FLSA's minimum wage and overtime provisions do not apply to the intern.

Basically, if the internship is more structured around that of a typical classroom experience, and less around the employer's regular operations, the more likely the internship will be viewed as an experience that benefits the intern. On the contrary, the more the internship is centered on developing skills (such as day-to-day abilities), the more likely that intern will need to be compensated, because the employer will benefit from the intern's work.

FINANCIAL CONSIDERATIONS: Implementation of the 2012 Classification and Compensation Plan Update as provided by Springsted is comprised of three (3) different components. First, is to address the employees whose pay rates are currently below the minimum as determined in the study; second, is to move all employees to the next step within their pay grade; and third is the fact that the study results reflect 2012 wage data.

As was outlined in the Springsted presentation, there are currently 42 employees who are currently at pay rates which are below the minimum as determined by the plan update. The total cost to bring those employees to the minimum rate based on 2012 rates would be slightly over \$78,000 distributed between tax-supported funds and fee-supported funds at a ratio of 69% and 31%, respectively.

Second, the total amount to move all employees to the next higher step would total \$161,000 distributed between tax-supported and fee-supported funds at a ratio of 79% and 21%, respectively.

Finally, a 2% plan adjustment for 2013 would result in an additional cost of \$254,000 which would be distributed between tax-supported and fee-supported funds at a ratio of 80% and 20%, respectively. In addition, the projected increase for a 2% plan adjustment for 2014 in addition to additional step increases would result in a total increase for 2014 of \$650,000 which would also have the 80%/20% ratio between tax-supported and fee-supported functions.

VOTING REQUIREMENTS: Not Applicable

Disclaimer: Voting requirements may be subject to changes in the law, parliamentary procedural matters, or other unforeseen issues. The City Attorney provides opinion on questions of voting requirements in accordance with the Moorhead City Code, Minnesota State Statutes, and parliamentary procedure.

Respectfully Submitted:



Michael J. Redlinger
City Manager

Department: Administration
Prepared by: Jill Wenger, Human Resources Director
Wanda Wagner, Finance Director

Attachments: N/A