

**NISSWA CITY COUNCIL AGENDA
SPECIAL MEETING
AUGUST 30, 2017**

**Call to Order 4:00 pm – Roll Call
Pledge of Allegiance**

NEW BUSINESS

- A.** Approval of Freedom Services Agreement for 9/1/2017-8/31/2018 (Council Action-Motion)
- B.** Constitution Week Proclamation (Council Action-Motion)
- C.** Discussion of 2018 Budget and Preliminary Levy

ADJOURN

Jenny Max

From: Maggi Wentler
Sent: Wednesday, August 23, 2017 1:31 PM
To: Jenny Max
Subject: FW: Annual Adoption Agreement

Jenny,

Here is the information from Freedom Services. Let me know if you need anything from me.

Maggi

Maggi Wentler



phone: 218-963-4444 fax: 218-963-3108

email: mwentler@ci.nisswa.mn.us

www.ci.nisswa.mn.us

From: Jeanne Eigenberg [<mailto:JEigenberg@freedomservices.com>]
Sent: Wednesday, August 23, 2017 9:31 AM
To: maggi@ci.nisswa.mn.us
Cc: Katie Zeitler
Subject: RE: Annual Adoption Agreement

Hi Maggi,

Katie forwarded me your questions on your annual Adoption Agreement. This agreement is sent to your company on an annual basis as the plan year dates and any changes the company makes to the Plan are included. **Other than the plan year dates, everything else should be the same as last year.**

This piece of the Plan documents does not need to be signed and sent back to Freedom Services. Please sign or have signed and file with your other documents from prior Plan years. No, we do not have a signed document from last year.

Let me know if you have further questions.

Thank you,

Jeanne Eigenberg | Audit Department
Local 952.873.7553 | Fax 952.873.7580

**We have moved offices!
Please see new physical address below.*



ADOPTION AGREEMENT

CITY OF NISSWA & NISSWA MUNICIPAL LIQUOR
Premium Only Plan with Health Savings Account Components

**ADOPTION AGREEMENT for
CITY OF NISSWA & NISSWA MUNICIPAL LIQUOR
dba: CITY OF NISSWA & NISSWA MUNICIPAL LIQUOR
Premium Only Plan**

The Employer named below hereby establishes a Cafeteria Plan pursuant to Section 125 of the Internal Revenue Code of 1986, as amended, by adopting the Cafeteria Plan Provisions which the Employer has read, accepted and incorporated by reference with the specifications set forth below, in accordance with the terms and provisions of the Master Plan Document, Summary Plan Description and amendments/addendum's thereto.

This Plan is intended to comply with ERISA. Notwithstanding, to the extent certain benefits are not subject to ERISA, those ERISA compliance requirements as referenced in the Master Plan Document will not apply.

This Plan is a "covered entity" for purposes of the HIPAA Privacy Rules as referenced in the Master Plan Document.

The Plan Sponsor and Administrator is the following named company identified as the "Employer", established pursuant to the laws of the State of Minnesota.

**City of Nisswa & Nisswa Municipal Liquor
5442 City Hall St
Nisswa, Minnesota 56468**

Plan Name:	City of Nisswa & Nisswa Municipal Liquor Premium Only Plan
Other Participating Entity:	None
Employer Identification Number:	41-6005419
Type of Business Entity:	Nonprofit
Nature of Business:	City Government
Plan Number:	555
Original Start Date:	January 1, 2011
Restatement Date:	September 1, 2017
Current Plan Start Date:	September 1, 2017
Current Plan Ending Date:	August 31, 2018

**ARTICLE II
DEFINITIONS**

2.1 Administrative Agent:

Name:	Freedom Services, Inc.
Business Address:	500 E Travelers Trl Ste 100 Burnsville, Minnesota 55337
Telephone:	(952) 890-6524

2.36 Plan Administrator/Agent for Service of Legal Process:

Plan Administrator/ Legal Process:	City of Nisswa & Nisswa Municipal Liquor 5442 City Hall St Nisswa, Minnesota 56468 (218) 963-4444 Federal ID #: 41-6005419
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2.20 Entry Date shall mean:

The date the Employee meets the eligibility requirements of Article 3.1.

2.40 Salary Reduction Benefits:

- A. Group Insurance Benefits (See Article IX)
- B. Health Savings Account (HSA) Benefits (See Article V)

**ARTICLE III
ELIGIBILITY AND PARTICIPATION**

3.1 Eligibility Requirements:

Each Employee, actively employed, shall be eligible to participate in the Plan on the first "Entry Date" after he or she meets the following eligibility requirements:

Group Insurance Benefits: Union and Non-Union: the first of the month following thirty (30) days of employment for which the Employee is regularly scheduled forty (40) hours per week or more; provided the Employee has not separated from service before such date.

ARTICLE IV ELECTION OF AVAILABLE BENEFITS

4.1 Initial Elections:

An initial Election must be made prior to the date on which the Eligible Employee becomes a Participant. This is called the "Election Period". If the initial Election Period ends and an Eligible Employee has not returned an Election form an additional "grace period" may be provided not to exceed thirty (30) calendar days in which Eligible Employee may submit a completed election form. Any Election completed and returned during this "grace period" shall not be effective until the next pay period following receipt and acceptance of the Election by the Plan Administrator. If the additional "grace period" ends and an Election has not been received by the Plan Administrator, the Eligible Employee will be deemed to have elected not to participate in the Optional Benefits involving reimbursement accounts.

4.2 Subsequent Elections:

During the Election Period prior to each subsequent Plan Year, each Participant shall be given the opportunity to elect to participate in the Plan, on a form to be provided by the Plan Administrator or Administrative Agent, and which Benefit options the Participant wishes to select and purchase with Employer Contributions or Salary Reduction. With regard to subsequent annual elections, the following options shall apply:

- (a) An Eligible Employee who failed to elect to participate when first eligible may choose to begin participating by electing new Optional Benefits under the Plan during the Election Period;
- (b) A Participant may terminate participation in the Plan; or
- (c) A Participant may elect different Optional Benefits or different levels of Optional Benefits.

Notwithstanding the foregoing, an Employee who is eligible to participate in this Plan shall automatically become a Participant to the extent of the Insurance Premiums for Group Benefits selected or deemed to be selected by the Participant, unless the Employee affirmatively elects, during the Election Period, not to participate in the Plan. A Participant who fails to return an election form in a subsequent Election Period will be deemed to have made the same Benefit selections.

4.4 Elections Irrevocable:

Except as provided in the Plan Document, a Participant's election under the Plan is irrevocable for the duration of the Plan Year to which it relates. In other words, unless an exception applies, the Participant may not stop participation, change or discontinue any

Salary Reduction amounts, or change an election with respect to any particular Optional Benefits, for the duration of the Plan Year.

ARTICLE V CONTRIBUTIONS

5.1 Salary Reduction Contributions:

An Active Employee who meets the eligibility requirements of Article 3.1 on the first day of, or during, a Plan Year may elect to participate in this Plan for all, or the remainder of such Plan Year. Employee election contributions will be funded via payroll reduction and prorated over the regularly scheduled payroll periods allocated to a Participant on a prorated basis.

5.3 Employer Contributions:

Each Eligible Participant shall have available Employer Contributions from which to elect Eligible Benefits. Any and all Employer Contributions will be allocated to a Participant on a prorated basis over the regularly scheduled payroll periods. Employer elected funding levels and criteria, if so elected, are: \$695 per month for single coverage and \$1,100 per month for family coverage. Cash Option: Not Applicable.

5.4 Health Savings Account (HSA) Contributions:

The annual Contribution for a Participant's HSA Benefit is equal to the annual benefit amount elected by the Participant (for example, if the maximum \$6,750 annual benefit amount is elected, then the annual contribution amount is also \$6,750). In no event shall the amount elected for the 2017 Plan Year exceed \$3,400 for single and \$6,750 for family, which are the statutory maximum amounts for 2017 regardless of the coverage option on the Participant's High Deductible Health Plan.

HSA Benefits cannot be elected unless Health FSA Benefit expense reimbursements are limited to dental and vision expenses only. Eligible Employees may not participate in both components unless the Health FSA is limited.

An additional catch-up Contribution of \$1,000 may be made for Participants who are age fifty-five (55) or older.

**ARTICLE IX
INSURANCE BENEFITS**

9.1 Separate Written Plan:

The Employer may select from any of the qualified benefits as described in Code Section 125, and listed in Article 2.30 including contracted group insurance plans, other available insured benefits and Optional Benefits.

9.4 Terms, Conditions and Limitations:

The Employee's right to make elections is controlled by the conditions set forth in the insured plans and the availability and/or limitations of these options is coordinated within the scope of this cafeteria plan.

**ARTICLE XI
OPERATIONAL PROCEDURES**

11.1 Operational Procedures:

Options and Limitations

- 1) Events permitting midyear election changes will follow the guidelines established by the IRS and any applicable mandatory statutes.
- 2) The Plan Administrator will provide determination as per applicable change criteria.
- 3) Each Plan Year will formally close sixty (60) days after the end of the plan year, unless otherwise specifically determined by the employer.
- 4) The Employer may limit the number of HSA Providers to whom it will forward contributions that the Employee makes via pre-tax Salary Reductions; such a list is not deemed an endorsement of any particular provider.

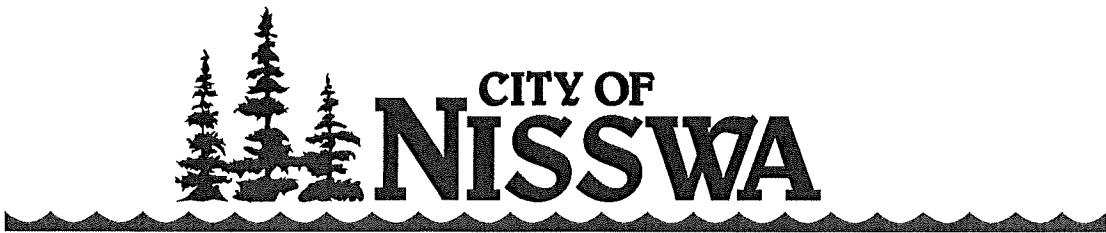
Executed at _____ this _____ day of _____, 2017
(city/state)

LIQUOR

CITY OF NISSWA & NISSWA MUNICIPAL

Name: _____

Title: _____



PROCLAMATION

WHEREAS: The Constitution of the United States of America, the guardian of our liberties, embodies the principals of limited government in a Republic dedicated to rule by law; and

WHEREAS: September 17, 2017, marks the two hundred and thirtieth anniversary of the framing of the Constitution of the United States of America by the Constitutional Convention; and

WHEREAS: It is fitting and proper to accord official recognition to this magnificent document and its memorable anniversary, and to the patriotic celebrations which will commemorate it; and

WHEREAS: Public Law 915 guarantees the issuing of a proclamation each year by the President of the United States of America designating September 17 through 23 as Constitution Week,

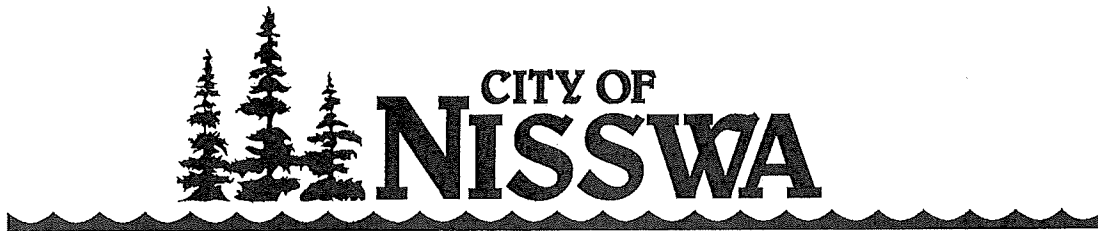
NOW, THEREFORE I, _____ by virtue of the authority vested in me as Mayor of the State of Minnesota in the City of Nisswa do hereby proclaim the week of September 17 through 23 as

CONSTITUTION WEEK

and ask our citizens to reaffirm the ideals the Farmers of the Constitution had in 1787 by vigilantly protecting the freedoms guaranteed to us through this guardian of our liberties.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City to be affixed this 30th day of August of the year of our Lord, two thousand seventeen.

Signed _____ SEAL Attest _____



August 30, 2017

To: Mayor & City Council
From: Jenny Max, Administrator/Clerk

Re: Draft 2018 Budget and Preliminary Levy

Included with this packet is the initial draft of the 2018 budget and preliminary levy. Please keep in mind that these numbers are very preliminary; as such, it is my intent to gather initial input from the Council as to big picture goals that you wish to see implemented in the final 2018 budget that will be set in December. The staff and I will continue to work on the budget and bring forward revisions over the next few months for your continued review and feedback.

As you may be aware, once the Council sets the Preliminary Levy in September, the Final Levy amount cannot be raised in December. It can remain the same, or it can be lowered. It is important to be aware of this to ensure we do not limit the amount of levy dollars we can access too early in the budget process.

One area that will need some deeper review and analysis by me is relating to salaries and wages. I understand that an initial step was taken last year upon adoption of the Springsted Compensation Study to get all staff in compliance with current market rates. I have had various discussions on what, if any, next steps need to be taken to fully implement the Study in 2018. Please know that as you review the initial budget draft, the wages included for departments were given to me by each Department Head and I have not yet looked too deeply at the calculations. An important piece to the budget will be to determine how to fairly and consistently approach full implementation of the study for all of our staff. Considerations may include whether a step is given for 2018, if there will be a cost of living increase added to the schedule, if an adjustment will be made for years of service, etc. I welcome the Council's feedback and any history you can provide that will help me navigate this area.

Feel free to reach out to me if you have any questions.

City of Nisswa

<u>For Year</u>	<u>Final Certified Levy</u>	<u>% increase</u>	<u>\$ Increase</u>	<u>Tax rate</u>	<u>Notes</u>
1999	\$669,102	4.25%	\$28,455		
2000	\$750,259	10.82%	\$81,157		
2001	\$878,777	14.62%	\$128,518		building Spirits
2002	\$1,012,627	13.22%	\$133,850		
2003	\$1,067,055	5.10%	\$54,428		
2004	\$1,119,622	4.70%	\$52,567		building City Hall
2005	\$1,342,577	16.61%	\$222,955		
2006	\$1,316,571	-1.98%	-\$26,006		
2007	\$1,415,336	6.98%	\$98,765		
2008	\$1,493,716	5.25%	\$78,380	22.604%	
2009	\$1,535,473	2.72%	\$41,757	20.944%	
2010	\$1,640,835	6.42%	\$105,362	21.253%	less receipts than prior year
2011	\$1,708,673	3.97%	\$67,838	23.421%	
2012	\$1,792,393	4.67%	\$83,720	26.804%	
2013	\$1,847,652	2.99%	\$55,259	29.058%	
2014	\$1,930,308	4.28%	\$82,656	30.996%	
2015	\$1,965,784	1.80%	\$35,476	31.029%	
2016	\$1,994,306	1.43%	\$28,522	30.778%	
2017	\$2,052,351	2.91%	\$58,045	30.713%	

From Tom Blomer

2018 Budget Synopsis:

8/28/17

I have the following goals for this year's maintenance budget.

- 1) Increase the Investments budget, beginning a buildup to allow road projects to be completed as part of a revolving bond program that will provide funds for the 2nd bond in a 10 year road bond plan. This revolving bond idea will be explained in more detail outside the budget process in a document I am preparing for the Public Works Committee.
- 2) Increase wages to bring Maintenance Department into full compliance with the Springsted Study completed last year.
- 2) My 1st draft of the 2018 budget has it up 3.31% and hits both of these goals. Most other line items are status quo or down.

Given this, the following is a summary of the significant changes in the 2018 budget.

- 100 I allowed for the next step, years of service, and a 3% cola raise for the Maintenance staff. We have an exceptional group put together and I would like to retain them as long as possible and provide a morale boost.
- 220 Biggest part of increase this year was for plow cutting edges that haven't had to be purchased for a couple years because of mild weather (\$5160.00).
- 240 Hand tools, shovels, wrenches, etc. Significantly reduced (down 46.43%) to help offset increases elsewhere.
- 320 Verizon changed cell phone plans and overlapping equipment replacement between 2016 and 2017 budgets.
- 438 Required training for safety, improved methods, and new technology. Significant reduction (down 33.33%) to help offset increases elsewhere.
- 580 Forestry attachment for the mini-excavator to feed chipper. Possible workman's comp savings.
- 800 Looking to increase this annually by \$17,300 to allow for a useable amount to make bond payments on a second road bond in 2025. We will need approximately \$138,500 annually to support a second 10 year road bond to keep up with a 40 year resurfacing cycle. We will not have the County 18/Pocket Park bond funds (\$85,000) available until 2032 to help with future road projects.
- FYI The City has received \$34,331 in Small Cities Assistance from the state. This was NOT budgeted for and is available for road projects or maintenance. I would recommend using it to offset expenses for Edna Lake Road or Villa View Drive done by Mathiowetz this summer.