

**City of Menahga
Action Memorandum 17-038**

Subject: Authorize Creating Two Full-time Positions at the Liquor Store and Moving Two Current Part-time Employees into the Full-time Positions

Agenda of: June 12, 2017

Council action: Authorized

Summary statement:

The Liquor Store continues to see a high rate of turnover in part-time employees. It has been difficult to recruit new employees as well.

As a solution to this issue, Action Memorandum 17-038 creates two full-time positions, eliminating the need for two part-time positions. The Liquor Store will retain one regular part-time position, along with one on-call part-time position.

There is a budgetary impact. For 2017, the approximate amount is as follows. Please note these amounts are based on existing employee wages and approximate benefits.

2017 Current Salaries & Benefits		
Full-time	\$	102,000
Part-time	\$	<u>54,000</u>
Total:	\$	156,000
2017 Amended Salaries & Benefits		
Full-time	\$	160,000
Part-time	\$	<u>10,000</u>
Total:	\$	170,000
Difference:	\$	<u>14,000</u>

The Liquor Store operates as an Enterprise Fund. The taxpayer levy is not affected by the Liquor Store fund, other than the yearly transfer. It is not anticipated that the yearly transfer will be affected. It is expected that the increase would be funded by Liquor Store revenues.

During the June 1, 2017, special meeting a question arose regarding creation of new positions as a promise of continued employment. The City of Menahga Personnel Policy states "The City Administrator will maintain a seniority list. In the event that it becomes necessary to reduce personnel, temporary employees and those serving a probationary period in affected job classes will be terminated from employment with the City before other employees in those job classes. Within these groups, the selection of employees to be retained will be based on merit and ability as determined by the City Administrator, subject to approval of the City Council. When all other consideration are equal, the principle of seniority will apply in layoffs and recall from layoff." All employees have been provided with the Policy and should have the understanding that all positions are based on the budget.

Action Memorandum 17-038 authorizes the creation of the two full-time positions and moves Rachel Pietila and Scott Nordback into the two positions. Both Rachel and Scott will remain at their current rate of pay until their normal anniversary/evaluation dates.

Fiscal information:

Total amount of funds listed in this legislation: \$ 14,000

This legislation (✓):

Has no fiscal impact Creates a positive impact in the amount of: \$ _____
 Creates a negative impact in the amount of: \$ 14,000

Funds are (✓):

Budgeted Line item(s): _____
 Not budgeted Affected line item(s): Liquor Store Salary & Benefits Line Items