

To: Common Council
From David Johnson, City Administrator
Subject: Inspection/zoning services
Date: 2/6/14

The City of Merrill currently contracts for inspection and zoning administration services with Northwinds (Darin Pagel). There are presently several communities seeking applicants for building inspectors that Darin could apply for. If Darin were to leave Merrill we would lose a great deal of institutional knowledge and most likely end up having to split the position between inspection and zoning duties. Even two part-time positions have the potential to cost more than the single full-time position.

As an employee we have more latitude to direct an individual's work than we do someone under contract. With a full-time position we have someone here the entire work day, as well as being able to attend after-hour meetings. With Darin as an employee, he is unable to undertake other contractual work during the regular work day as he currently is able to do under contract.

Darin's contract Rate for up to 2080 hours annually is \$29.28/hr. or \$60,902.40/year
FICA - \$0
Medicare - \$0
WRS - \$0
Insurance - \$0

Darin's suggested rate as full-time employee is \$29.39/hr. (Grade 9 Step H) or \$61,313.20/year
FICA - \$4,050
Medicare - \$913
WRS - \$4,049
Insurance - \$0 (Darin has agreed not to take city offered health insurance - \$18,000 savings)

The difference is approximately \$9,000/annually. This additional amount can be legitimately funded through TIF for all the blight elimination work performed in the TIDs.

It is the recommendation of staff that the present contractual position for inspection/zoning be made a full-time employee position effective the first pay period in March.