



**MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF STACY IN THE COUNTY OF CHISAGO
AND THE STATE OF MINNESOTA PURSUANT TO DUE
CALL AND NOTICE THEREOF**

**CLOSED - SPECIAL MEETING
OPEN AT THE REQUEST OF THE EMPLOYEE
JANUARY 30, 2017, 7:00p.m.
STACY CITY HALL**

Call to Order

The meeting was called to order by Mayor Utecht at 7:00pm.

Roll Call

Present: Jim Ness, Mark Utecht, Tony Olivolo, Mark Ness, and Chuck Lucia
Absent: None
Others Present: Jessica Anderson, Rod Olson, and Ted Alliegro

Purpose of the Closed Meeting

The purpose of the Closed Meeting is to give preliminary consideration to allegations of performance by a city employee.

Meeting Opened at Request of Employee, Confirmation of Understanding Purpose of the Meeting

City Attorney, Ted Alliegro, confirmed with Ms. Anderson that she wanted the meeting to be open. He explained by opening the meeting the content of the meeting is made public. She confirmed that she desired the meeting be open.

Attorney Alliegro asked if Ms. Anderson had any questions regarding the purpose of the meeting as set forth in his letter:

The council will discuss allegations that you:

- Violated city policy and failed to perform your job appropriately by failure and/or refusal to carry out legitimate instructions, orders, or requests to perform assigned work regarding inventory at the liquor store on January 24, 2017.
- Engaged in behavior not in keeping with City standards involving truthfulness by misrepresenting the status of projects on January 24, 2017.

Ms. Anderson said she did not have any questions.

Order of Meeting

Mayor Utecht said that the order of meeting would take place as follows:

- Input from Rod Olson
- Reply by Jessica Anderson
- Reply by Rod Olson
- Final reply by Jessica Anderson
- Discussion by the City Council



**Wine & Spirits Manager
Rod Olson**

Mr. Olson referenced the incident report he prepared, dated January 24, 2017; (Attachment A). He also noted:

- In November he explained in detail to Ms. Anderson how to do the inventory; at that time he told her she would be responsible for all the liquor. She was taught how to do the exception report and told of the importance of the report.
- She performed one inventory that being Crown Royal.
- He checked with Ms. Anderson regularly regarding the status of the inventory; he was told the inventory was going just fine.
- He questioned why she did not come to him and ask questions if she was struggling with the inventory.
- The inventory was scheduled to be done by January 2, 2017, so that the city auditor could meet with them.
- He stressed that inventory is money. He wants to have an inventory he can trust. He is trying to complete the inventory and it's difficult when assigned tasks are not completed.

Attorney Alliegro asked if the inventory meant counting everything in the store; Mr. Olson said yes. Then Attorney Alliegro asked what about the exception report; the exception report is used to adjust what is actually in the store and what is in the computer. He was then asked if this was being done when he started his job here; Mr. Olson said no. The previous reports were from 2006.

**Employee
Jessica Anderson**

Ms. Anderson referenced her response to the incident report; (Attachment B). She also pointed out the following:

- She realizes Mr. Olson wanted to get control over the inventory, he currently does not. He came to her and other staff for assistance. (Ms. Anderson was cautioned by the mayor that this not a personnel review of Mr. Olson but a meeting to address her behavior).
- Ms. Anderson said she did everything she could to help do the inventory; however, customer service was her top priority and to sell product.
- She said she had little support from Mr. Olson, he was concentrating on performing the inventory and not customer service.
- She feared retaliation from Mr. Olson if she made a complaint to the City Clerk.
- He did not ask her how the inventory was going.
- How does a verbal reprimand move to suggested termination so quickly?
- She said other employees fear retaliation; employees are fearful.

Member Lucia asked if she was speaking for other employees. She

said they don't know what to do or who to speak to. Member Lucia asked if they had gone to Mr. Olson with their concerns. She did not know.

He then said that inventory is important; Ms. Anderson said that she doesn't disagree. Member Lucia said that customer service is important – they go hand in hand. We need to know if we have the product.

- Ms. Anderson said that she never walked the store with Mr. Olson, nor did he show her how to perform the inventory step by step. Mr. Olson had not told her to do an exception report for Crown Royal.
- Regarding the reports on his desk for the inventory; she didn't know they applied to her.

Member Lucia asked if Ms. Anderson had access to the computer system; yes she does. He then asked if she started the inventory in November, yes. Ms. Anderson said that she had did the inventory approximately twice per week – she did write up one exception report and didn't find any more variances to report. If she had devoted the amount of time Mr. Olson did to inventory, customer service would have failed.

Member Mark Ness asked if Ms. Anderson had been instructed to do any kind of inventory; and if a deadline was given? She said that she was never told to do the liquor inventory and no deadline was given.

Member Lucia asked if she requested more hours to complete the inventory. She said she thought she was under an hour restriction as directed by the council when she was acting manager. She said Mr. Olson should have helped her.

Member Olivolo said he gets the impression that they don't get along at all; they are butting heads and just going at it. What is the grudge? Ms. Anderson said that Mr. Olson was disrespectful and rude to her in the work environment. She extended every courtesy to him the first month to help him.

Member Lucia asked Ms. Anderson what she would like to see done. She didn't have an answer.

**Wine & Spirits Manager
Rod Olson**

Mr. Olson made the following points:

- Ms. Anderson was correct he did ask staff for assistance.
- He does provide customer service, he is professional.
- Employees have come to him with concerns; they are talking to him. He has a good relationship with staff.
- He did stress the importance of exception reports to Ms. Anderson.

- Ms. Anderson was made aware on several occasions she was responsible for the liquor inventory.

Member Jim Ness asked for clarification that when Mr. Olson did inventories in the past – do you count the inventory and compare it with what the software says; and then if different an exception report shows the difference. Mr. Olson said yes this is the process.

Employee
Jessica Anderson

Ms. Anderson said:

- The reason Mr. Olson's name appeared on the Crown Royal report was he was probably signed on to the computer; she assigned the inventory to herself.
- She stated she is confused to how this is classified as insubordination, she was not trying to be malicious, disobedient, or disrespectful. She was trying to be helpful and fill her responsibilities to the customers and staff.

Member Olivolo asked if she returns to work how things can be different between the two of them. She doesn't have an answer for that; treated disrespectfully she tried to help him and this is where she finds herself. She finds the situation concerning.

Attorney Alliegro then stated the reason for the meeting again as presented at the beginning of the meeting.

Member Lucia asked if Ms. Anderson had brought up her concerns to a council member or city clerk; she said no that it would fall on deaf ears or concern that no one would believe her. Thought she would jeopardize her job if she brought up her concerns

Council Discussion and Decision

Mayor Utecht asked if the members had any further questions of Mr. Olson or Ms. Schultz; none expressed. The following points were made:

- Mayor Utecht said that it has been made abundantly clear to him that Mr. Olson and Ms. Anderson can't work together under any circumstance period. When it comes down to it Mr. Olson is the manager; and he is not convinced that Ms. Anderson supported his efforts regarding the inventory. He also said that he is not convinced that what each party said was totally accurate.
- Member Jim Ness agreed with Mayor Utecht stating that even Ms. Anderson said she cannot work with Mr. Olson.
- Member Mark Ness found it troublesome if the atmosphere is such that the employee cannot follow the process in the Personnel Policy.
- Mayor Utecht said the first step is to go to their supervisor; when people work for the city they feel that their supervisor isn't the last step they can go to the council. Only in extreme cases does the council get involved.
- Member Olivolo asked both Mr. Olson and Ms. Anderson if

they can work together; they both said no.

Motion by Mayor Utecht to terminate Ms. Anderson for no cause.
Second by Lucia.

Ms. Anderson asked if her termination could be classified as a reduction in force; then she could immediately gain other employment.

Attorney Alliegro said that she could resign if she desired; she did not want to resign.

Attorney Alliegro recommended that a reason be provided.

Motion by Mayor Utecht to withdraw his motion. Second by Member Lucia.

Motion by Utecht to terminate Jessica Anderson per City Personnel Policy section Separation from Service, Immediately Dischargeable Actions, **e**. Insubordination: failure and/or refusal to carry out legitimate instructions, orders, or requests to perform assigned work, or suggesting or directing another employee to engage in such conduct. Second by Member Lucia. Mayor Utecht, Member C. Lucia, T. Olivolo, and J. Ness voted yes. M. Ness voted no. Mayor Utecht declared the motion carried.

Adjourned at 8:07pm

Motion by M. Ness to adjourn. Second by J. Ness. J. Ness, M. Ness, T. Olivolo, C. Lucia, and M. Utecht voted yes. Mayor Utecht declared the motion carried.

Sharon MT Payne

Attachment A – Rod Olson Incident Report

Jessica Anderson Incident Report write-up 1-24-17

By Stacy Wine and Spirits Manager Rod Olson

On Tuesday, January 24, I approached Stacy Wine and Spirits assistant manager Jessica Anderson and informed her that I needed her Exception Reports for the liquor inventory she was to have completed in Dec 2016 as I needed to take them to City Hall. She said she wasn't done with the inventory yet. I said that she had been required to do a full inventory of all liquor items (spirits) before the city auditor came on Jan 2nd. She said that she had been too busy in December to complete the inventory. I pointed out that she had been scheduled at 8AM almost every day she worked so she could complete the task. I had assigned her the task in the middle of November telling her that she would be responsible for a full and complete inventory, not a partial inventory as had been done under the previous manager by his own admission. She was to go section by section, shelf by shelf, to insure that absolutely everything was caught in the sweeping inventory. I also said repeatedly that I wanted documentation of all inventory changes to make sure that we could present it to the Council, City Clerk and the accountant Amy Hill as well as a copy to go into our personal files so we could always have a record of it per instructions from the City Clerk, Sharon Payne. She said she understood. I received instructions from Roger's Municipal Wine and Spirits manager Gary Buysse on how to perform the Exception Reports. Jessica wrote all of this down and even did one inventory that I was aware of on Crown Royal. Jessica admitted this was the one and only Exception Report she did for the inventory. She assured me through the month of December that she was completing the inventory as directed and it was coming along fine. She said it would be done by year end. I had multiple assurances from her that it would be done and done the way I asked her to do it. Not once did Jessica ask in the month of December for overtime hours to complete the task or mention to me that she had fallen behind on the task.

Our conversation continued and she said that she didn't think the Exception Reports mattered to anyone. I replied that they matter a great deal to me and either way it was what I requested of her. She maintained that she never had the time to complete the inventory as she was too busy with other operations that the store needed. I told her I was upset that she had not completed the task as I had specified. She replied that she was upset about things around the store too so "Welcome to the club." I explained to her that now I would have to tell the Council, City Clerk and accountant that I would not be able to show them the liquor Exception Reports I had promised. I also stated that this was clearly insubordination and it was a verbal warning I was giving her with a written report to follow.

The ongoing inventory issues and their repairs have been of concern and I have worked hard to get a firm handle on the issue, with continued lack of support from Jessica Anderson I now discover. Our Cost of Goods Sold has been an issue for the last few months and now apparently with the discovery that the liquor inventory was never completed will continue to go for likely another month. The fact that Jessica was asked to complete this project and failed to do so is a violation of Rule 9 of the Off-Sale Assistant Manager Job Description which states: Arrange and assist in the taking of physical inventory and merchandise ordering as directed. Followed by Rule 10 which says: Perform such other duties related to the position as assigned and/or necessary. I find that there are three clear Insubordination charges in this case. Firstly, not completing a required inventory. Secondly, saying that the inventory was going to be completed and things were progressing well and as directed when in fact that wasn't true. Thirdly, that no Exception Reports other than the Crown Royal inventory adjustment had been performed which had been explained multiple times of their requirement. Taking into consideration the statements as admitted by Jessica to me, I find that she shall need to be immediately suspended pending a closed hearing on Monday, January 30th at Stacy City Hall at 7PM. I would recommend termination immediately. Based on the above, I believe that going forward we cannot count on her to be dedicated to the improvement of the current inventory situation at Stacy Wine and Spirits.

Attachment B – Jessica Anderson Response



COPY

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On Tues Jan 24 Rodrick Olson began following me around the store while I was restocking telling me about his tooth issue from the day before. He then asked me if liquor inv. was done. I said it wasn't. We were in the aisle furthest from the door. Rodrick's face turned bright red he crossed his arms and began to yell at me "That's insubordination. I am the manager and you will do what I say" I quickly responded "ok here we go again - your going to yell I am the manager you will do what I say at me too?" He ~~then~~ calmed himself down and said "I take it back your right I take it back" He continued to say "I wanted it done. I said I wanted it done" I got the wine done" I replied that the only reason he got thru wine was because that was all he did. He disagreed. I said he didn't stock a shelf, fill the cooler, help in the aisles, ring customers, do carryouts nothing. The store + customers were at the bottom of his priority list all he

concerned himself with was counting wine. I asked him what did he do on Christmas Eve one of our busiest days of the year. He looked at me with a blank stare. I said you sat in the office and counted wine. you didn't help customers or stock or ring. He said that he helped when it was needed. I replied that the customers needed help more than what I saw him helping. He then asked about exception reports and continued to repeat over and over that I didn't do what he wanted. He never told me to run exception reports for everything. He also never asked how things were going. He also only ever to told me I could work on liquor. He never told me it was my lone responsibility. By this point he was very upset and yelling again. Having been yelled at by Rodrick on what least two other occasions / at 25th he screamed at me to get off my high horse and a cashier heard the entire conversation. And 30th he screamed that he didn't need his hand held again a cashier heard it.

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I have also witnessed him raise his voice to customers. I didn't want to engage him any longer fearing his temper and we were in last aisle of store so I moved with the stock I was putting out to continue working. He followed me yelling that I do what he wants + he wasn't happy and he was writing me up. I turned and said "OK. Fine. ya know your not the only unhappy one, so welcome to the club" he then quit following me and making me feel threatened. He went to the office grabbed his coat + ran to city hall. I continued my stocking to have the store ready for customers.

(1)

Rodrick Olson does not have any idea about the inventory. He thinks he is fixing things and he is not. He is unable to locate displays or product in multiple locations wine haven he missed in cold box and I had to help him. Carbone Moscato he couldn't find the stack on Floor I told him where it was.

Beringer wines he couldn't count the floor display. I had to do it and then show him how to count it. He repeatedly has said "If I miss count it its not a big deal since I am not taking anything from the Store if/when I find it later I will add it back in" Rodrick is trying to blame me for the problems that he is creating. He never told me to do inventory @ 8 am I never had any conversation with him regarding to inventory progress until he repeatedly berated and badgered me on Jan 24th. Rodrick never explained what he wanted in detail nor did he do anything to check on progress or

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help. Rodrick is looking for someone to blame. During our conversation on Jan 24th Rodrick never mentioned anyone but himself. It is also very unprofessional that Rodrick ~~was~~ participated in sampling ~~at the scene~~ alcohol with a sales rep before my write up was given to me.