# Northfield Township Board of Trustees

# Memo

**To:** Northfield Township Board of Trustees

From: Jacqueline Otto, Trustee

cc:

**Date:** July 19, 2017

Re: Independent Contractor

The township board has had several discussions regarding Independent Contractors. According to the labor laws in Michigan and the IRS, an Independent Contractor falls under certain guidelines:

- Significant investment
- Behavioral Control Factors

#### Significant investment

An independent contractor often has a significant investment in the equipment he or she uses in working for someone else. However, in many occupations, such as construction, workers spend thousands of dollars on the tools and equipment they use and are still considered to be employees. There are no precise dollar limits that must be met in order to have a significant investment. Furthermore, a significant investment is not necessary for independent contractor status as some types of work simply do not require large expenditures. Resource: <a href="https://www.irs.gov/businesses/small-businesses-self-employed/financial-control">https://www.irs.gov/businesses/small-businesses-self-employed/financial-control</a>

#### Types of Instructions Given

An employee is generally subject to the business's instructions about when, where, and how to work. All of the following are examples of types of instructions about how to do work.

- When and where to do the work.
- What tools or equipment to use.
- Where to purchase supplies and services.
- What work must be performed by a specified individual.

Resource: https://www.irs.gov/businesses/small-businesses-self-employed/behavioral-control

A recommendation is that Northfield Township executes agreements with all independent contractors and adopts the attached Personnel Policy for Independent Contractors. Individual(s) that are no longer considered Independent Contractors will need to be considered employees of the township. Attached is a memo from Stacy Belisle confirming that Jim Nelson would be considered an employee of the township and not an Independent Contractor. As the township's stenographer, Lisa would be considered an Independent Contractor and the recommendation is that an agreement is executed.

## Fwd: independent contractor question

## Jacqueline Otto

Thu 7/6/2017 10:36 AM

To: Tawn Beliger <beligert@Northfieldmi.gov>;

FΥI

#### Get Outlook for iOS

From: Marlene Chockley <chockleym@northfieldmi.gov>

Sent: Wednesday, July 5, 2017 5:11 PM

Subject: FW: independent contractor question

To: Janet Chick <a href="mailto:chicki@northfieldmi.gov">chicki@northfieldmi.gov</a>, Jacqueline Otto <a href="mailto:cottoj@northfieldmi.gov">cottoj@northfieldmi.gov</a>>

From: Stacy J. Belisle [mailto:sbelisle@mcgrawmorris.com]

Sent: Wednesday, July 05, 2017 5:07 PM

To: Marlene Chockley <a href="mailto:schockleym@Northfieldmi.gov">schockleym@Northfieldmi.gov</a>

Subject: RE: independent contractor question

Marlene,

You are correct. I agree that he is an employee.

Stacy

Stacy J. Belisle

McGraw Morris P.C.

2075West Big Beaver Road

**SUITE** 750

TROY, MICHIGAN 48084 Phone: 248.502.4000 Mobile: 313.822.3259 Facsimile: 248.502.4001

Email: SBELISLE@MCGRAWMORRIS.COM Website: <u>www.mcgrawmorris.com</u>

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From: Marlene Chockley [mailto:chockleym@Northfieldmi.gov]

**Sent:** Wednesday, July 05, 2017 5:05 PM

To: Stacy J. Belisle

**Subject:** independent contractor question

#### Stacy,

Our videographer is paid \$85/meeting and we thought he was an independent contractor. However, he uses our equipment at our facility at our times. Should he be an employee instead? According to the last email you sent on Dockett's 1099 issue with the criteria enumerated, it would appear that he is an employee. Do you agree?

Thanks. Marlene

**Marlene Chockley Northfield Township Supervisor** 8350 Main Street Whitmore Lake MI 48189 Office 734 449-2880 x15 Cell 734 730-0795

#### NORTHFIELD TOWNSHIP - PERSONNEL POLICY AND PROCEDURES

#### INDEPENDENT CONTRACTOR

**PURPOSE:** To clearly define and establish a policy for the use of Independent Contractors by Northfield Township (the "Township").

**DEFINITION:** An Independent Contractor is defined as an individual, or individuals, who are not employees of the Township, and meet the standards set forth for independent contractors under relevant state and federal law.

#### POLICY:

- The Township shall prepare, and the Independent Contractor shall execute a written contract (the "Contract") with terms and conditions setting forth the relationship between the parties prior to the commencement of services agreed upon, including, but not limited to, the following terms:
  - a. That termination of the Contract may be for any reason, and shall not require just cause to be demonstrated; and
  - b. That the Independent Contractor shall, by the fifth day of the month following, render invoices for the services provided during that month. The Township shall not pay for, and shall not be liable to pay for services rendered without such an invoice.
- As an Independent Contractor, the Township does not have the right to control the
  means and methods of accomplishing the intended results, only the right to assess
  whether intended results were accomplished in accordance with terms and conditions
  outlined in the contractual agreement.
- 3. Independent Contractors shall not complete earnings or withholding forms required for employees of the Township upon engagement with the Township, but shall complete any and all forms required for independent contractors by state or federal law.
- 4. The Township will pay the Independent Contractor according to the terms and conditions set forth by the Contract for services rendered.
- 5. An Independent Contractor is not an employee, of any type, or "personnel" of the Township, and shall not be noted on the Township's organizational documents, including, but not limited to, the organizational chart, as a result.
- 6. No payroll or employment taxes of any kind shall be withheld or paid with respect to payments to the Independent Contractor, except to the extent required by state or federal law for independent contractors. Payroll or employment taxes include but are not limited to FICA, Federal Personal Income Tax, State Personal Income Tax, State Disability Insurance Tax and State Unemployment Insurance Tax.
- 7. The Township will not obtain nor be responsible for obtaining Workers' Compensation benefits or insurance on behalf of the Independent Contractor.

8.

#### PROCEDURE:

- 1) All Independent Contractors shall be approved by a vote of the Township Board approving the Contract drafted between the Township and the Independent Contractor.
- 2) Any changes to the Contract will need to be reviewed and approved by the assigned Township Attorney, and approved by a vote of the Township Board.
- 3) All Independent Contractors are required to complete any and all tax forms required by state and/or federal law.

Drafted: 06/21/2017

#### NORTHFIELD TOWNSHIP - PERSONNEL POLICY AND PROCEDURES

- 4) A background check is required for all Independent Contractors, prior to approval of the Contract by the Township Board.
- 5) A certificate of insurance shall be provided by the Independent Contractor, if recommended by the Township's insurance carrier, and in an amount and form acceptable to the Township's insurance carrier and the Township Attorney.
- 6) Independent Contractors shall not have access to the Township information technology systems, including the Township email, without voted approval by the Township Board.

Drafted: 06/21/2017

## Re: Independent Contractor info

Maynes, Bradfo	ord <mayne:< th=""><th>s@peblaw.net&gt;</th></mayne:<>	s@peblaw.net>
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Thu 6/29/2017 3:03 PM

To Jacqueline Otto <ottoj@Northfieldmi.gov>;

1 attachments (39 KB)

Northfield - IC Policy - 6-29-17.docx;

Jacki -

Per our discussion, please find a revised independent contractor policy attached hereto for our discussion. Please give me a call when you have an opportunity to review. Paul may have additional ideas once he has an opportunity to review it.

The only section that I was concerned about, but did not revise was paragraph two under "Policy". This section appears to severely limit the ability of the Township, potentially to the Township's detriment. I was not clear on the goal of this paragraph, and wanted to discuss it with you prior to making any suggestions.

Again, please give me a call when you have an opportunity.

Bests,

**BLM** 

On Wed, Jun 21, 2017 at 12:22 PM, Jacqueline Otto <ottoi@northfieldmi.gov> wrote:

Jennifer,

Attached is the draft (PDF) of the policy and procedure for Independent Contractor for the agenda and board approval. I'm also including Brad on this email to review the policy and procedure for any concerns prior to the board meeting.

Brad,

There is concern about Independent Contractors using the Township's property for personal "gain". Is there any language that the Township can incorporate into the agreements to "protect" the Township for misuse of such property - such property could include videos of meetings, etc. If you need to reach out to me for more clarification, please let me know.

Thanks, Jacki

From: Jennifer Carlisle

Sent: Tuesday, June 20, 2017 11:26 AM

To: Jacqueline Otto

Subject: Independent Contractor info

Hi Jacki,

For the Independent Contractor Agreements that you asked to have on the agenda, we sent the contract that we have currently to Brad Maynes for review. We can include that in the packet. Is there any other information you have that you would like included? If so, we will need that by Wednesday so we can get it into the packet.

Thanks, Jennifer Carlisle Admin. Asst - Northfield Twp. 734-449-2880 ext. 18 carlislei@northfieldmi.gov

Bradford L. Maynes Law Office of Paul E. Burns 133 West Grand River Brighton, Michigan 48116 p (810) 227-5000 f (810) 220-5895

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July 6, 2017

**MEMO** 

#### VIDEOGRAPHER COMPENSATION

The compensation rates for our township employees have been and continue to be reviewed comparatively and equitably. The goal has been to ensure those rates are in line with our employee's responsibilities as well as with similar positions in the field with comparable duties.

Currently the cost to the township to have our meetings video recorded is \$85.00 per meeting. In the instance of a Special Meeting there is an additional \$85 charge regardless of the length of the meeting. Meetings that are video recorded on a regular basis include the Planning Commission, ZBA, and Board of Trustees. There is the potential to pay for as many as 60 meetings annually. These meetings can run from as little as one hour (in particular with the Planning Commission) to as many as 3 hours. At the current rate, the cost to the township if paid hourly would be anywhere from \$28.33 for a 3 hour meeting to \$85.00 for a one hour meeting.

At \$28.33/hr, this position pays out more per hour than any of our office staff who carry much more responsibility. At \$85.00, it is 4 times greater than any of our office staff hourly rate.

I am proposing that we begin discussion on making this an hourly compensated position as opposed to a flat fee per meeting, and the rate more commensurate with the duties required by the township.

Per payscale.com the rate for a "videographer" ranges from \$11.74 to \$40.03 with 50% being paid \$17.62 hourly.

Per salary.com the rate for a "videographer" is \$24.00 to \$37.00 hourly.

At the same site, the job description of a Videographer is based on a full time position with an Associate's Degree and the following responsibilities: Integrates video and audio capability to the e-Commerce site; Maintains and operates video equipment, edits select footage and stays up to date with all new technological advances; May require a Bachelor's Degree; Typically reports to a Supervisor or Manager; Gaining exposure to some of the complex tasks with the job function; Occasionally directed in several aspects of the work.

The title of Videographer is given to a profession. I am submitting a document with the duties, responsibilities, and educational requirements of a professional videographer.

For the township's needs the position does not require editing. The township supplies the equipment so use of the recorder's personal equipment would not enter into the calculation. It is a part time position and a degree is not required.

We are very fortunate to have the ability to video record our meetings not only for the purpose of archiving but making our meetings accessible to the public when it is convenient for them to view. It is a valuable tool for information sharing. We only need to be mindful of making sure the expense is fair.

Respectfully,

Janet M. Chick

Northfield Township Trustee

### **Videographer Job Description**

by Will Charpentier



A videographer is part director, part sound man and part editor. You'll be in charge of the images the public sees on television, on DVDs and on movie screens. You'll work in the studio, in remote locations, and as a part of the post-production team that edits and prepares movies, television shows and other video productions. working in TV, motion pictures, music video, sports events and documentaries.

- 1. The videographer works as part of the production team that creates video products. She also directs multi-camera studio equipment and video switching. She generates and inserts on-screen text and graphics in live productions using cameras, DVRs, switching equipment and a piece of digital editing equipment called an edit controller. Editing is done digitally, since all video is done digitally these days. This includes streaming video for a variety of Internet uses and formats.
- 2. Videographers also use audio mixing equipment, tweak the studio lighting and control the studio mikes. They must be able to prepare secondary footage for use in live productions, such as the background footage that's scattered through live news reports. Videographers must also be able to perform routine video and audio equipment maintenance. As if that isn't enough, they have duties in the field, as well.
- **3.** In the field or remote location, the videographer will set up and place the lighting and the audio equipment for location work. He operates the portable equipment and works with the other production staff in pre-production planning and production. He maintains the video production equipment used in the field, too. Other duties in the field are similar to those in the studio, except that the outside world is the videographer's backdrop.
- **4.** Back in the shop or studio, the videdographer becomes part of the post-production team. She reviews the footage that she and others shot. She eliminates the segments and scenes where things have gone wrong using editing software. She inserts computer graphics and special effects as required, and, using the internal and external duplication services available to the production company, delivers the final product.
- **5.** According to the Bureau of Labor Statistics, videographers are part of the larger group identified as film and video editors, and camera operators. The bureau expects little change in the employment of camera operators between 2010 and 2020. Current growth in the profession is about 2 percent per year. Employment growth for film and video editors in the same period is projected at 5 percent, well below the 14 percent growth projected for all other U.S. occupations.