

# CITY OF RICHLAND CENTER

## AGENDA ITEM DATA SHEET

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**Agenda Item:** Independent Contractor Policy and Insurance Decision

**Meeting Date:** Personnel Committee on July 21, 2025  
Common Council on August 5, 2025

**Requested by:** Ashley Oliphant, City Administrator

**Background:**

Policy

The proposed policy standardizes the engagement, management, and oversight of independent contractors. This policy defines independent contractors, establishes a selection process (including bidding, insurance, and licensing), and sets clear approval thresholds for agreements (Common Council for unbudgeted or \$3,000+, City Administrator for smaller budgeted ones after City Attorney review). It also details guidelines for supervision, payment, termination, dispute resolution, confidentiality, and compliance. Adopting this policy will enhance transparency, ensure legal and financial accountability, and mitigate risks exposure.

Insurance Decision

An independent contractor was hired to provide services over the summer of 2025. After providing their services for a period of time, it was determined that they did not possess the required insurance. After providing notification of insurance requirements, the contractor attempted to obtain insurance but determined the cost in doing so would be greater than their earnings from the department.

Due to cost-prohibitive insurance procurement, it must be decided whether to include the contractor under City insurance at a minimal cost (\$2.53 per \$100 of compensation) or terminate them immediately to mitigate liability.

**Recommendation:**

1. Policy: It is recommended that the Independent Contractor Policy be approved to ensure consistent and effective management of independent contractors.
2. Insurance Decision: It is recommended that the contractor be covered under the City's insurance until August 31, 2025. On that date, the contracted work will either conclude, or the contractor must submit proof of their own required insurance to continue the engagement.

**Requested Action:**

**PERESONNEL:**

Motion to recommend to the Council the approval of the proposed Independent Contractor Policy; and

Motion to include the current Tourism Department contractor under the City's insurance until August 31, 2025, and that, effective August 31, 2025, the contracted work shall either terminate, or the contractor shall provide satisfactory proof of their own required insurance for any continued engagement.

**Attachment(s):**

- Proposed Independent Contractor Policy Draft