



**CITY OF CLOQUET
City Council Agenda
Tuesday, January 16, 2018
7:00 p.m.
City Hall Council Chambers**

CITY COUNCIL WORK SESSION

- *6:15 2018 Point-In-Time Count, Bob Nelson - HRA
- 6:30 Ten Commandments Monument
- 6:45 SEH CIP Study

**Please Note Change in Start Time*

Roll Call.

2. **Pledge of Allegiance.**

3. **Approval of Agenda.**

- a. Approval of January 16, 2018 Council Agenda

4. **Approval of Council Minutes.**

- a. Work Session Minutes from the January 2, 2018 meeting
- b. Regular Council Minutes from the January 2, 2018 meeting

5. **Consent Agenda.**

Items in the Consent Agenda are considered routine and will be approved with one motion without discussion/debate. The Mayor will ask if any Council members wish to remove an item. If no items are to be removed, the Mayor will then ask for a motion to approve the Consent Agenda.

- a. Resolution No. 18-06, Authorizing the Payment of Bills
- b. Ord. 471A, Amending City Code Chapter 11, Utilities
- c. Resolution No. 18-07, Resolution Authorizing the Publication of a Summary of Ord. No. 471A
- d. Resolution No. 18-05, Amending the Utility Rates
- e. Approval of Teamsters Local Union No. 346 and AFSCME Local Union No. 545 Labor Agreements
- f. Approval of Personnel Policies Handbook
- g. 2017 Pay Equity Implementation Report
- h. Remaining 2018 Business License Renewals
- i. Wal Mart Off Sale Liquor License Amendment



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City Council Agenda
Tuesday, January 16, 2018
7:00 p.m.
City Hall Council Chambers**

6. **Public Hearings.**

None.

7. **Presentations.**

None.

8. **Council Business.**

None.

9. **Public Comments.**

Please give your name, address, and your concern or comments. Visitors may share their concerns with the City Council on any issue, which is not already on the agenda. Each person will have 3 minutes to speak. The Mayor reserves the right to limit an individual's presentation if it becomes redundant, repetitive, irrelevant, or overly argumentative. All comments will be taken under advisement by the Council. No action will be taken at this time.

10. **Council Comments, Announcements, and Updates.**

11. **Adjournment.**

2018 Point-In-Time Count: Unsheltered Survey

What is the Point in Time Count?

The Point-In-Time Count is one of the main ways we measure homelessness in our state. It provides us with a snapshot of what homelessness looks like across Minnesota at one point in time. The Federal Government requires that each state attempt to count all people experiencing homelessness on one particular night of the year. The Federal Government also requires that every state conduct their PIT count within the last 10 days in January.

This year, Minnesota's PIT Count is on the night of Wednesday January 24, 2018.

The PIT Count includes a count of people who are living in unsheltered situations (those who are living outside, on the streets, in abandoned building, etc.) AND of people who are temporarily sheltered (those who are living in emergency shelters, transitional housing programs, or put up in motels through a social service program).

Why do the Point in Time Count?

- 1) It helps us to understand the scope of homelessness and identify trends so we can better target our resources, improve services, and identify gaps in service.
- 2) We use Data to Justify Current and new services and programs. Data helps us tell our story and make the case for more resources. It helps build awareness, political will and political support (at the local, state and national level) to have the right programs and services funded to meet the identified need.
- 3) It is a Critical source of national data on the number and characteristics of people who are homeless in the U.S.
 - Additionally, the PIT count is the main data source used for measuring national progress in meeting the goals in *Opening Doors: the Federal Strategic Plan to Prevent and End Homelessness*. And, PIT count data is provided to Congress on the general homeless population and subpopulations of homeless persons, including Veterans, families, chronically homeless individuals, and youth across the nation.
- 3) Data collected through the PIT is used as one of the main tools to measure progress on our State's Heading Home plan to Plan to Prevent and End Homelessness.

It is a Statewide Effort

Working together as a state is critical to achieve the goals of preventing and ending homelessness for the families, youth and individuals who are experiencing (or are at-risk of experiencing) homelessness in Minnesota.

In alignment with the Federal Government, the State of Minnesota is working towards the following population goals laid out in Heading Home: Minnesota's Plan to Prevent and End Homelessness:

1. Resolve and prevent future Veteran homelessness.
2. End chronic homelessness in 2017.
3. Prevent and end homelessness among youth unaccompanied by parents or guardians in 2020.
4. Prevent and end homelessness among families with children in 2020.

What's new in 2018?

A question has been added asking if people are currently homeless due to fleeing violence. We will also be asking the same questions we have always asked regarding domestic violence so we don't lose the trend data associated with those questions.

We know that the correlation between violence and experiencing homelessness is very strong. Nationwide, 80% of families experiencing homelessness are headed by a female, and 92% of these women have experienced severe physical and/or sexual abuse at some point in their life. More than 50% of all homeless women report that domestic violence was the immediate cause of their homelessness.

FREEDOM FROM RELIGION *foundation*

P.O. BOX 750 • MADISON, WI 53701 • (608) 256-8900 • WWW.FFRF.ORG

January 3, 2018

SENT VIA MAIL & EMAIL

fyetka@cloquetlaw.com

Mr. Frank Yetka
Rudy, Gassert, Yetka, Pritchett & Helwig, P.A.
813 Cloquet Ave
Cloquet, MN 55720

Re: City of Cloquet Ten Commandments Monument

Dear Mr. Yetka:

I am writing on behalf of the Freedom From Religion Foundation (FFRF) regarding the City of Cloquet's Ten Commandments monument. FFRF is a national nonprofit organization with more than 30,000 members across the country as well as 600 members in Minnesota and a local chapter, the Lake Superior Freethinkers. Our purposes are to educate about nontheism, and protect the constitutional principle of separation between state and church. We understand that you previously represented the City of Cloquet on this matter. Please let me know if you still represent the City.

As you know, FFRF expressed concerns in 2012 with the constitutionality of the City's Ten Commandments monument that is prominently placed next to the Fire and Police Departments. You stated in 2012 that you did not recommend that the City take action with regards to the monument "at this time." We would like to bring additional concerns to the City's attention and to again request that the City remove the monument.

It is our understanding that the City's Ten Commandments monument was damaged by a vehicle accident on December 29. We are concerned about any City expenditures to repair the monument and any City actions that maintain its placement next to the Fire and Police Departments.

Any action by the City to repair the monument and again orient the Decalogue for public viewing, raises serious constitutional problems. Municipalities must not take action that advances or endorses religion.

While courts have allowed certain long-standing Ten Commandments monuments to remain, *See Red River Freethinkers v. City of Fargo*, 764 F.3d 948, 949 (8th Cir. 2014) (Finding that unaltered and undisturbed Ten Commandments monument on public plaza was constitutional); courts review Ten Commandments displays in their particular context, which has oftentimes confirmed that they are unconstitutional. *See, e.g., Felix v. City of Bloomfield*, 841 F.3d 848, 851 (10th Cir. 2016); *ACLU of Ohio Found. v. Deweese*, 633 F.3d 424 (6th Cir. 2011), *cert. denied*, 131 S.Ct. 368; *Green v. Haskell Cnty. Bd. of Com'rs*, 568 F.3d 784 (10th Cir. 2009), *cert. denied*, 130 S.Ct. 1687.

It is a significant development that the Cloquet monument has been moved and/or damaged. The court in *Red River Freethinkers* noted that the monument there was unlike another religious display

that has been physically altered. 764 F.3d at 950, *citing Staley v. Harris Cnty., Tex.*, 461 F.3d 504, 514 (5th Cir. 2006), *reh'g en banc*, 485 F.3d 305 (5th Cir. 2007) (addition of a neon light around a Bible changed the meaning of a monument). The Cloquet monument also has a unique physical setting given its proximity to both the Fire and Police Departments as well as signs identifying the buildings as such.

The Minnesota Constitution also prohibits the City from affiliating its Police and Fire Departments with religious doctrines: “nor shall any control of or interference with the rights of conscience be permitted, or any preference be given by law to any religious establishment or mode of worship.” Minn. Const. art. I, § 16. The Ten Commandments monument prescribes religious conduct to be followed, including the god to be worshiped. Citizens have a right to challenge such allegedly unconstitutional practices under the Minnesota Establishment Clause. *See Am. Civil Liberties Union of Minn. v. Tarek ibn Ziyad Acad.*, 788 F. Supp. 2d 950, 957 (D. Minn. 2011). Notably, challenges to Ten Commandments monuments under state constitutions have been successful in the past. *See Prescott v. Oklahoma Capitol Pres. Comm'n*, 2015 OK 54, 373 P.3d 1032.

You initially raised concerns about the cost of moving the monument. Given the current status of the monument, we presume it will cost money to deal with it, regardless of where it will be placed. The long-term cost in retaining an unconstitutional monument is likely to be much greater than the one-time cost of removal.

When municipalities unsuccessfully defend unconstitutional monuments, they are on the hook for the plaintiffs’ costs and attorneys fees. In Establishment Clause challenges to Ten Commandments displays, these can be significant. *See Felix v. City of Bloomfield*, 1:12-cv-00125, Doc. 159 (N.M. D.C. Judgment for Attorneys’ Fees and Costs, Dec. 5, 2017) (Ordering payment of \$700,000); *FFRF v. New Kensington-Arnold Sch. Dist., No. 2:12-cv-01319 (W.D. Pa 2017)* (Settled in February 2017 with the removal of the Ten Commandments monument and payment of \$163,500 for costs and attorney fees).

Finally, as a matter of policy, the City should not host a religious display. The First Commandment alone makes it obvious why the Ten Commandments should not be posted on government property. The government has no business telling citizens which god they must have, how many gods they must have, or that they must have any god at all. There are ample private and church grounds where this religious display may be freely placed. Once the government enters into the religion business, conferring endorsement and preference for some religions over others, it strikes a blow at religious liberty, forcing taxpayers of all faiths and of no religion to support a particular expression of worship.

We again request that the City move the Ten Commandments to a more appropriate private location. We look forward to a reply at your earliest convenience.

Sincerely,



Patrick C. Elliott
Senior Counsel



Building a Better World
for All of Us®

November 22, 2017

RE: City of Cloquet Street and Utility
Capital Improvement Plan
SEH No. CLOQU 144250

Mr. Aaron Reeves
City Administrator
City of Cloquet
1307 Cloquet Avenue
Cloquet, MN 55720

Dear Mr. Reeves:

Short Elliott Hendrickson Inc. (SEH®) is pleased to submit this proposal for the City of Cloquet Street and Utility Capital Improvement Plan. This proposal is based on conversations with City staff, review of documents provided by the City, and our knowledge of the City from previous work including the ongoing City of Cloquet Utility Extension Study.

Project Overview

We understand the City is interested in creating a comprehensive planning document whose purpose is to compile a list of major capital investments necessary to meet the needs of the community in the near future, while also taking into account long-term needs. With recently completed documents being in place for other City capital investments such as City facilities, this document will primarily focus on street and utility capital planning. In order to achieve this goal, the City is looking for SEH to create a Capital Improvement Plan document. We have developed the following work plan and fee estimate based on this understanding.

Work Plan

Task 1 Data Collection

This work includes a kickoff meeting with the City to identify and collect the available existing data. This data includes the previously collected pavement ratings (in a georeferenced format) and any known problem areas in the sanitary, water, and storm sewer system. This meeting will also include discussions related to policy on funding and financing priorities and principles. We will also utilize the data previously collected from the ongoing Utility Extension Study including GIS data of the existing utilities, pump station run times, and other pertinent data.

Task 2 Project Identification & Report

This work includes creating mapping of the available data and conducting a meeting with the City to determine the appropriate approach for segmenting the project areas and how best to account for future improvements. This meeting will also identify the appropriate remedies to the identified areas of need (i.e. where to conduct a full reconstruct as opposed to a trenchless utility operation or a pavement overlay).

At the completion of this meeting, the data will be compiled into a report suitable for review with City staff. This report will include the findings to date, as well as recommendations on major and minor projects to be completed which are in line with the City's budgeting and anticipated bonding capacity. The report will include maps of the roadway rating, the existing sewer system, proposed sewer improvements, existing water system, proposed water

Engineers | Architects | Planners | Scientists

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SEH is 100% employee-owned | sehinc.com | 218.279.3000 | 888.722.0547 | 888.908.8166 fax

improvements, existing storm sewer system, major (full reconstruction) project areas, minor (overlay) street improvement areas, and minor (lining) sanitary or water improvement areas. Cost estimates will be provided for each area. These estimates will be based on current construction pricing.

At the completion of the report being prepared, we will meet with City staff to review the report, confirm prioritization of the identified projects, and confirm project schedules. City comments provided during this meeting will be addressed by SEH and the report will be finalized in a manner suitable for council presentation.

Task 3 Council Presentation

This work includes presenting the report findings and recommendations at a council work session. The discussion will include the process for developing the report as well as alternatives considered during the process.

Assumptions

Our work plan and deliverables were built on the following assumptions:

- City will provide the following data:
 - Pavement rating in a georeferenced format
 - Areas of known deficiencies or problem areas within the existing utility systems
- No water system, sanitary sewer system, or stormwater modeling is included at this time
- No field survey efforts are included at this time
- City will complete any necessary additional televising or review of televising data to identify issues in the sanitary sewer system
- Major water system improvements (tower, plant) will be collected from the 2009 Water System Plan

Schedule

We will begin work upon execution of a contract. We have outlined below some critical milestones and tentative dates.

| | |
|---|---------------|
| Kickoff and data collection meeting | December 2017 |
| Project identification meeting..... | January 2018 |
| Final report review meeting | February 2018 |
| Council Presentation | March 2018 |

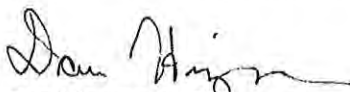
Fee Estimate

We have estimated a total fee of \$26,400 to complete our services which would be billed on a Lump Sum basis.

If this proposal meets your approval, we will forward a contract. We look forward to discussing this project with you further. If you have any questions, please contact me at **218.279.3034** or via email at **dhinzmann@sehinc.com**.

Sincerely,

SHORT ELLIOTT HENDRICKSON INC.



Dan Hinzmann, PE
Client Service Manager

mh

Cloquet City Council Work Session
Tuesday, January 2, 2018

 **DRAFT**

Present: A. Bailey, D. Bjerkness, K. Kolodge, R. Maki, J. Rock, Mayor Hallback

Absent: S. Langley

Staff: J. Barclay, N. Klassen, C. Peterson, J. Palmer

Other: J. Peterson, Pine Journal; K. Backstrom, SKB

Acting Mayor

- Councilor Bjerkness volunteered for 2018 Acting Mayor.

Personnel Policy discussion

- Mr. Barclay reviewed the major changes of the Personnel Policy which includes the removal of the security policy and modified the uniform policy making it less restrictive.
- Discussion on vehicle usage. Mr. Barclay explained the Personnel Policy doesn't authorize usage, it simply outlines criteria. The authorization is up to the discretion of the Department Head. State law dictates usage must be for a legitimate public purpose.
- Mr. Barclay indicated that when Council approves the final Personnel Policy, it will supersede all old policies. Council will be voting on approval at the January 16, 2018 Council meeting. Council is asked to contact Mr. Barclay or Mr. Reeves if there is any questions or concerns.

Other discussion

Council discussed the ATV permitting process, asking for clarification. Councilor Bailey indicated he has received several questions about the reason for the permit requirement, people are not understanding why it needs to be done. Mr. Reeves explained it is a result of the change in state statute that took effect the spring of 2016 requiring permits. Statute requires a city ordinance to be consistent with statute. Mr. Palmer stated the police department is including the ordinance with the permit application. The Pine Journal will run another article clarifying that this is a state mandate.

Closed Session

Mayor Hallback announced the meeting would go into a closed session pursuant to Minn.Stat. Sec. 13D.05, Subd. 3(b) for the Council to discuss threatened litigation by SKB with the City Attorney and a proposed resolution, as permitted by the attorney-client privilege. The time is 6:03 p.m.

Mayor Hallback announced the meeting would re-open at 6:27 p.m.

There being no further business, the meeting adjourned at 6:30 p.m.

Respectfully Submitted,

Aaron Reeves
City Administrator

Regular Meeting

Roll Call

A red stamp with the word "DRAFT" in a bold, sans-serif font, preceded by a small icon of a document with a folded corner.

Councilors Present: Bailey, Bjerkness, Kolodge, Maki, Rock, Mayor Hallback

Councilors Absent: Langley

Pledge of Allegiance

AGENDA**MOTION:** Councilor Bailey moved and Councilor Maki seconded the motion to approve the January 2, 2018 agenda. The motion carried unanimously (6-0).**MINUTES****MOTION:** Councilor Rock moved and Councilor Bailey seconded the motion to approve the minutes of the Work Session and Regular Meeting of December 19, 2017. The motion carried unanimously (6-0).**CONSENT AGENDA****MOTION:** Councilor Bjerkness moved and Councilor Bailey seconded the motion to adopt the consent agenda of January 2, 2018. The motion carried unanimously (6-0).

- a. Resolution No. 18-02, Resolution Authorizing the Payment of Bills and Payroll
- b. Resolution No. 18-01, A Resolution Designating Official Depositories for 2018
- c. 2018 Budgeted Transfers
- d. Ordinance No. 470A, An Ordinance Establishing the City Fees and Charges for 2018
- e. 2018 Official Newspaper
- f. Standing Rules of the Council
- g. Temporary On-Sale Liquor License – Queen of Peace Parish

PUBLIC HEARINGS

There were none.

PRESENTATIONS

There were none.

ACTING MAYOR APPOINTMENT**MOTION:** Councilor Bailey moved and Councilor Rock seconded the motion to appoint Councilor Bjerkness as acting Mayor for 2018. The motion carried unanimously (6-0).**SKB CUP AMENDMENT WITHDRAWAL****MOTION:** Councilor Kolodge moved and Councilor Maki seconded the motion to approve **RESOLUTION NO. 18-04, A RESOLUTION WITHDRAWING THE CITY COUNCIL FINDINGS MADE IN RESOLUTION NO. 17-09, DENYING A CONDITIONAL USE PERMIT AMENDMENT TO ALLOW FOR THE EXPANDED HOURS OF OPERATION AND TO REMOVE THE LIMITS OF ALLOWED PAPER SLUDGE WASTE FOR SKB ENVIRONMENTAL CLOQUET LANDFILL, INC., F/K/A SHAMROCK LANDFILL, INCL., SUCCESSOR-IN-INTEREST TO SHAMROCK ENVIRONMENTAL, LLC (HEREIN "SHAMROCK LANDFILL"), IN THE HI-HEAVY INDUSTRY DISTRICT.** The motion carried unanimously (6-0).

WHEREAS, an Application has been submitted by Shamrock Landfill to amend their existing Conditional Use Permit which was approved on February 15, 2011 and amended on November 5, 2014. The amendment request is pursuant to 17.2.06 of the City Code, for the 59-acre Industrial Landfill to modify their hours of operation to allow new hours of 7:00 A.M. to 7:00 P.M. seven days a week;

WHEREAS, as required by ordinance, notification was advertised in the Pine Journal and all neighbors within 1320 feet were notified. A public hearing was held to consider the Application at the regular meeting of the Cloquet Planning Commission on December 13, 2016 at which time Zoning Case / Development Review No. 16-20 was heard and discussed;

WHEREAS, the property of the proposed Conditional Use Permit Amendment is located at 761 Highway 45 and is legally described as follows:

That part of the West 390.00 feet of the Northwest Quarter of the Southeast Quarter, Section 25, Township 49, Range 17, Carlton County, Minnesota, which lies southerly of Interstate Highway 35 and northerly of the South 100.00 feet of said Northwest Quarter of the Southeast Quarter.

AND ALSO

That part of the South 100.00 feet of the North Half of the Southeast Quarter, Section 25, Township 49, Range 17, Carlton County, Minnesota, which lies westerly of the right-of-way of the Great Northern Railway (now known as Burlington Northern Santa Fe Railroad).

AND ALSO

That part of the East 600.00 feet of the Northeast Quarter of the Southwest Quarter, Section 25, Township 49, Range 17, Carlton County, Minnesota, which lies southerly of Interstate Highway 35.

AND ALSO

The east 600.00 feet of the Southeast Quarter of the Southwest Quarter, Section 25, Township 49, Range 17, Carlton County, Minnesota.

AND ALSO

The South Half of Southeast Quarter lying West of Great Northern Railway Company's right-of-way (now known as Burlington Northern Santa Fe Railroad), Section 25, Township 49, Range 17, according to the United States Government Survey thereof.

EXCEPT those two parcels lying within the following described tracts;

1. Beginning at a point on the south line of said Section 25, distant 100 feet west of the southeast corner of SW ¼ of SE ¼ thereof; thence run northeasterly at an angle of 68 degrees 00 minutes with said south line for 475 feet; thence deflect to the left at an angle of 112 degrees 00 minutes for 500 feet; thence deflect to the left at an angle of 68 degrees 00 minutes for 475 feet; thence deflect to the left at an angle of 112 degrees 00 minutes for 500 feet to the beginning.

2. From a point on the south line of said Section 25 distant of 100 feet west of the southeast corner of SW ¼ of SE ¼, thereof, run northeasterly at an angle of 68 degrees 00 minutes with said south section line for 475 feet to the point of beginning; thence continue northeasterly along the above described course to its intersection with a line run parallel with and distant 660 feet north of the south line of said Section 25; thence run west along said 660 foot parallel line to its intersection with a line run parallel with and distant 992 feet west of the east line of the SW ¼ of SE ¼ of said Section 25; thence run south along said 992 foot parallel line to the south line of said Section 25; thence run east along said section line for 392 feet; thence deflect to the left 68 degrees 00 minutes for 475 feet; thence deflect to the right 68 degrees for 500 feet to the point of beginning.

WHEREAS, the Cloquet Planning Commission reviewed the Application to Amend the Conditional Use Permit for Shamrock Landfill to modify their hours of operation to allow new hours of 7:00 A.M. to 7:00 P.M. seven days a week; to remove the limits on the amount of paper sludge waste allowed; and, to allow the acceptance of paper sludge waste at any time of the day or night, per Section 17.2.06 Subdivisions 3 and 4 of the Cloquet Zoning Ordinance, and made findings of fact as follows:

1. The landfill as previously determined had a legal right to establish their business in this location as a land use. After a moratorium on landfills in 2011, landfills are no longer allowed to be established or expanded in the City of Cloquet.
2. The proposed use is compatible with existing development within 300' of the proposed use and within 500' along the same street and development anticipated in the foreseeable future within the neighborhood and conditions would make the use more compatible.
3. The service provided by the landfill is important to the community.
4. The Amended Conditional Use Permit will continue to protect and maintain neighborhood protections for the surrounding neighborhood with these modified hours of operation.
5. This application is in conformance with other requirements of the Cloquet Zoning Ordinance.
6. There are no other factors or additional conditions impacting this application.

WHEREAS, the Cloquet Planning Commission made specific findings regarding modified hours of operation in findings no. 4, and recommended allowing the expansion of hours as requested;

WHEREAS, the Cloquet Planning Commission made no specific findings regarding modified limits on allowed paper sludge waste in their findings, and then recommended raising the limits of allowed paper sludge waste to 40%;

WHEREAS, the Application to Amend the Conditional Use Permit for Shamrock Landfill was thereafter set on for consideration at a meeting of the Cloquet City Council, which matter was then postponed from time to time upon written requests made by Shamrock Landfill, all according to the provisions of Minnesota Statutes Section 15.99, until said matter came on for consideration by the Cloquet City Council on Tuesday, October 3, 2017 at 7 pm, at City Hall, in the council chambers of the City of Cloquet, at which time the City Council did consider said matter;

WHEREAS, the Application to Amend the Conditional Use Permit for Shamrock Landfill was denied by the City Council in all respects by Resolution No. 17-09 for the reasons contained therein, at the Cloquet City Council meeting held on Tuesday, October 3, 2017 at 7 pm, at City Hall, in the council chambers of the City of Cloquet;

WHEREAS, Shamrock Landfill did threaten litigation for the “factually incorrect and illegal Findings for denial,” by the Cloquet City Council, which threat of litigation was made by a letter dated November 30, 2017 from Robert M. Cloninger, Vice President and Deputy General Counsel for Waste Connections, Inc., the parent company of Shamrock Landfill, and in which letter Mr. Cloninger did also propose that the vacating of the offending resolution by the City would eliminate any such threat, following which Shamrock would voluntarily withdraw their Application to Amend the Conditional Use Permit, and agree not to submit another application on those issues for at least one year;

WHEREAS, the City of Cloquet, without admitting to any of Shamrock Landfill’s allegations, did respond to Shamrock Landfill by letter dated December 1, 2017, and request that they withdraw their Application to Amend the Conditional Use Permit for Shamrock Landfill, in Zoning Case 16-20, before their request for withdrawal of the prior Findings in Resolution No. 17-09 would be submitted to the City Council for review;

WHEREAS, Shamrock Landfill did formally withdraw their Application to Amend the Conditional Use Permit for Shamrock Landfill, in Zoning Case 16-20, by letter dated December 12, 2017 from Kyle Backstrom, Site Manager for Shamrock Landfill, and including a good-faith agreement (“understanding”) that Shamrock will not resubmit an application of the same request for a period of 1 year from approval; and,

WHEREAS, the City Council has had a chance to discuss the threatened litigation and proposed resolution thereof with the City Attorney in closed session at the Work Session held at 5:30 pm on January 2, 2018.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA: that the City Council hereby approves the withdrawal of Shamrock Landfill’s Application to Amend the Conditional Use Permit for Shamrock Landfill, in Zoning Case 16-20, and withdraws its Findings made in Resolution No. 17-09 passed at the Cloquet City Council meeting held on Tuesday, October 3, 2017 at 7 pm, at City Hall, in the council chambers of the City of Cloquet in Zoning Case 16-20 denying an amendment to the Conditional Use Permit to modify their hours of operation to allow new hours of 7:00 A.M. to 7:00 P.M. seven days a week, and to remove the limits on the amount of paper sludge waste allowed, for Shamrock Landfill for the following reasons:

1. Shamrock Landfill’s voluntary withdrawal of their Application to Amend the Conditional Use Permit for Shamrock Landfill, in Zoning Case 16-20.
2. Shamrock Landfill’s good-faith agreement that they will not resubmit an application on paper sludge or hours for a period of one (1) year from the approval and adoption of this Resolution. Shamrock Landfill’s good-faith agreement that withdrawal of the Findings made in Resolution No. 17-09 will resolve all issues giving rise to their present threat of litigation.

PUBLIC COMMENTS

There were none.

COUNCIL COMMENTS, ANNOUNCEMENTS, AND UPDATES

There were none.

On a motion duly carried by a unanimous yea vote of all members present on roll call, the Council adjourned.

Aaron Reeves, City Administrator



ADMINISTRATIVE OFFICES

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REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Nancy Klassen, Finance Director *NJK*
Reviewed/Approved by: Aaron Reeves, City Administrator
Date: January 11, 2018

ITEM DESCRIPTION: Payment of Bills

Proposed Action

Staff recommends the Council move to adopt **RESOLUTION NO. 18-06, A RESOLUTION AUTHORIZING THE PAYMENT OF BILLS.**

Background/Overview

Statutory Cities are required to have most claims authorized by the city council.

Policy Objectives

MN State Statute sections 412.271, Claims and disbursements for Statutory Cities.

Financial/Budget/Grant Considerations

See resolution for amounts charged to each individual fund.

Advisory Committee/Commission Action

Not applicable.

Supporting Documents Attached

- a. Resolution Authorizing the Payment of Bills.
- b. Vendor Summary Report.
- c. Department Summary Report.

**CITY OF CLOQUET
COUNTY OF CARLTON
STATE OF MINNESOTA**

RESOLUTION NO. 18-06

A RESOLUTION AUTHORIZING THE PAYMENT OF BILLS

WHEREAS, The City has various bills each month that require payment.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, That the bills be paid and charged to the following funds:

| | | | |
|-----|---|-----------|---------------------|
| 101 | General Fund | \$ | 47,597.65 |
| 207 | Community Development Operating | | 3,285.18 |
| 208 | Small Cities Development Program (City) | | 29,643.00 |
| 220 | Tax Increment - Woodward/Daqota | | 8,249.58 |
| 221 | Tax Increment - 14th Street Apartments | | 10,173.04 |
| 222 | Tax Increment - Oakwood Estates | | 23,630.61 |
| 225 | Permanent Improvement | | 950.00 |
| 226 | Park Fund | | 4,206.75 |
| 228 | Senior Center | | 627.65 |
| 231 | Public Works Reserve | | 2,140.20 |
| 368 | Business Park Debt Service | | (7,033.60) |
| 370 | Swim Pond Debt Sevice | | 230,282.50 |
| 372 | City Sales Tax Debt Service | | 88,186.25 |
| 405 | City Sales Tax Capital Projects | | 828,800.31 |
| 600 | Water - Lake Superior Waterline | | 95,815.45 |
| 601 | Water - In Town System | | 14,336.37 |
| 602 | Sewer Fund | | 5,083.57 |
| 605 | Stormwater Fund | | 389.31 |
| 614 | CAT-7 | | 77.24 |
| | TOTAL: | \$ | 1,386,441.06 |

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET
THIS 16TH DAY OF JANUARY, 2018.**

ATTEST:

Dave Hallback, Mayor

Aaron Reeves, City Administrator

DATE: 01/11/2018
TIME: 11:20:31
ID: AP442000.WOW

CITY OF CLOQUET
VENDOR SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 01/16/2018

| VENDOR # | NAME | PAID THIS FISCAL YEAR | AMOUNT DUE |
|----------|--------------------------------|--------------------------|------------|
| 110950 | AARDVARK SEPTIC PUMPING | 0.00 | 700.00 |
| 111350 | LEXISNEXIS RISK DATA MNGMT INC | 0.00 | 50.00 |
| 121000 | ARROWHEAD SPRINGS INC | 0.00 | 86.00 |
| 122000 | A T & T MOBILITY | 0.00 | 49.86 |
| 125900 | BEST SERVICE | 0.00 | 17.50 |
| 128260 | BRENT'S HEATING & COOLING LLC | 0.00 | 99.00 |
| 128400 | BRIGGS & MORGAN | 0.00 | 500.00 |
| 129800 | BUREAU CRIMINAL APPREHENSION | 0.00 | 390.00 |
| 137310 | CENTURY LINK | 1,483.11 | 71.82 |
| 137340 | CHAMBERLAIN OIL CO., INC. | 276.91 | 14,446.96 |
| 139025 | CINTAS | 180.68 | 117.99 |
| 139500 | CCP INDUSTRIES INC | 0.00 | 569.63 |
| 139800 | CLOQUET AREA CHAMBER OF COMMER | 3,217.97 | 300.00 |
| 142100 | CLOQUET MAIL STATION | 0.00 | 17.39 |
| 142800 | CLOQUET SANITARY SERVICE | 0.00 | 489.25 |
| 145300 | COMMUNITY PRINTING | 0.00 | 183.10 |
| 153800 | DIGGERS HOTLINE, INC. | 0.00 | 6.40 |
| 154600 | DIVERSIFIED INSPECTIONS INC | 0.00 | 428.40 |
| 158000 | DULUTH/SUPERIOR COMMUNICATIONS | 695.00 | 95.00 |
| 162640 | ENVENTIS TELECOM INC | 0.00 | 47.24 |
| 165375 | FERGUSON WATERWORKS #2516 | 0.00 | 377.41 |
| 167875 | FLAHERTY & HOOD, P.A. | 0.00 | 326.25 |
| 169650 | FORUM COMMUNICATIONS COMPANY | 0.00 | 737.60 |
| 169955 | 14TH STREET APARTMENTS | 0.00 | 10,173.04 |
| 175200 | GOPHER STATE ONE CALL INC | 0.00 | 36.45 |
| 175700 | GRAINGER | 0.00 | 188.76 |
| 175840 | GRANDE HARDWARE CO. | 0.00 | 35.99 |
| 175950 | GRAPHIC TECHNOLOGIES | 961.62 | 70.00 |
| 179300 | HACH COMPANY | 0.00 | 144.28 |
| 179340 | HAGENS GLASS & PAINT | 0.00 | 54.00 |
| 180425 | HARRIS COMPUTER SYSTEMS | 0.00 | 240.95 |
| 184150 | JLA INDUSTRIAL EQUIPMENT INC | 0.00 | 616.05 |
| 184675 | HYDRO KLEAN | 0.00 | 3,382.85 |
| 185900 | IDEXX DISTRIBUTION CORP. | 0.00 | 222.46 |
| 190700 | JAMAR COMPANY | 2,419.51 | 280.01 |
| 195045 | KEEPRS, INC. | 0.00 | 620.50 |
| 200450 | LAKES & PINES COMMUNITY ACTION | 7,800.00 | 29,643.00 |
| 202100 | LAWSON PRODUCTS INC | 0.00 | 107.83 |
| 211400 | MENARDS | 0.00 | 268.94 |
| 212800 | MID-STATES ORGANIZED CRIME | 0.00 | 150.00 |
| 213640 | MIDWEST PLAYGROUND CONTRACTORS | 0.00 | 4,700.00 |
| 213650 | MIDWEST PLAYSCAPES INC | 0.00 | 25,100.00 |
| 219067 | MN DEPT OF ADMINISTRATION | 0.00 | 2,140.20 |
| 222275 | MN PEIP | 0.00 | 47,638.78 |

DATE: 01/11/2018
TIME: 11:20:31
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CITY OF CLOQUET
VENDOR SUMMARY REPORT

PAGE: 2

INVOICES DUE ON/BEFORE 01/16/2018

| VENDOR # | NAME | PAID THIS FISCAL YEAR | AMOUNT DUE |
|----------|--------------------------------|--------------------------|------------|
| 223210 | OFFICE OF THE SECRETARY OF | 0.00 | 120.00 |
| 223725 | MN SHERIFFS' ASSOCIATION | 0.00 | 120.00 |
| 227100 | MORTON SALT | 0.00 | 2,083.82 |
| 229500 | NAPA AUTO PARTS | 0.00 | 214.56 |
| 236450 | THE NORTHSPAN GROUP, INC. | 1,428.00 | 2,500.00 |
| 238925 | OAKWOOD ESTATES LLC | 0.00 | 23,630.61 |
| 244300 | BRENT BELICH | 0.00 | 90.00 |
| 260300 | CITY OF SCANLON | 0.00 | 30.80 |
| 261800 | SEH | 0.00 | 2,233.56 |
| 262875 | SHAMROCK LANDFILL INC | 0.00 | 1,003.89 |
| 264000 | SIRCHIE FINGER PRINT LABS | 0.00 | 229.36 |
| 265250 | SNAP ON TOOLS | 0.00 | 401.24 |
| 266590 | SPECSYS, INC | 0.00 | 144.83 |
| 268800 | STOCK TIRE COMPANY | 0.00 | 1,558.30 |
| 269600 | SUPER ONE FOODS CLOQUET | 0.00 | 25.07 |
| 270200 | SUPERIOR COMPUTER PRODUCTS INC | 0.00 | 4,029.00 |
| 271325 | NANCY GETCHELL | 0.00 | 850.26 |
| 272600 | TERMINAL SUPPLY INC | 0.00 | 752.40 |
| 275075 | TITAN MACHINERY | 754.24 | 25.92 |
| 277550 | TURFWERKS | 0.00 | 147.93 |
| 278600 | TWIN PORT MAILING | 2,882.66 | 739.57 |
| 280400 | ULLAND BROTHERS, INC. | 0.00 | 249,535.62 |
| 281000 | UNITED ELECTRIC COMPANY | 0.00 | 257.04 |
| 283700 | USA BLUEBOOK | 0.00 | 174.35 |
| 284875 | VERIZON WIRELESS | 0.00 | 545.95 |
| 285500 | VIKING INDUSTRIAL NORTH | 0.00 | 229.09 |
| 288150 | WASTE MANAGEMENT NORTHERN MN | 0.00 | 73.44 |
| 289015 | WELLS FARGO CREDIT CARD | 0.00 | 6,410.07 |
| 291675 | WOODWARD ENTERPRISES LLC | 0.00 | 1,215.98 |
| 292400 | XEROX CORPORATION | 0.00 | 386.50 |
| 293000 | ZARNOTH BRUSH WORKS, INC. | 0.00 | 346.00 |
| R0001284 | OFFICE OF MN IT SERVICES | 0.00 | 333.00 |
| R0001548 | MINIT MART 557 | 0.00 | 136.00 |
| R0001561 | SKUTEVIK FLORAL | 0.00 | 50.00 |
| R0001573 | STRAIGHTLINE SURVEYING INC | 0.00 | 950.00 |
| R0001576 | NATIONAL ASSOCIATION OF | 0.00 | 35.00 |

TOTAL ALL VENDORS: 447,530.05

Less:

Health/Dental/VEBA (47,638.78)

Library 0.00

Cloquet Area Fire District (3,443.58)

Total Bills Approved 396,447.69

Plus:

Debt Service payments 865,699.88

Credit card/bill pay f 2,235.50

MN Sales Tax 1,124.74

MN Power auto pay 118,790.56

MN Energy auto pay 2,142.69

Total Bills 1,386,441.06

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CITY OF CLOQUET
DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 01/16/2018

| VENDOR # | NAME | PAID THIS FISCAL YEAR | AMOUNT DUE |
|--------------|--------------------------------|--------------------------|------------|
| ----- | | | |
| GENERAL FUND | | | |
| 00 | | | |
| 139800 | CLOQUET AREA CHAMBER OF COMMER | 3,217.97 | 300.00 |
| 222275 | MN PEIP | | 47,638.78 |
| | | | 47,938.78 |
| 32 | LICENSES & PERMITS | | |
| 260300 | CITY OF SCANLON | | 30.80 |
| | LICENSES & PERMITS | | 30.80 |
| 41 | GENERAL GOVERNMENT | | |
| 142800 | CLOQUET SANITARY SERVICE | | 35.95 |
| 145300 | COMMUNITY PRINTING | | 65.40 |
| 169650 | FORUM COMMUNICATIONS COMPANY | | 737.60 |
| 223210 | OFFICE OF THE SECRETARY OF | | 120.00 |
| 270200 | SUPERIOR COMPUTER PRODUCTS INC | | 3,229.00 |
| 278600 | TWIN PORT MAILING | 2,882.66 | 287.60 |
| 281000 | UNITED ELECTRIC COMPANY | | 257.04 |
| 289015 | WELLS FARGO CREDIT CARD | | 2,016.11 |
| 292400 | XEROX CORPORATION | | 144.95 |
| R0001561 | SKUTEVIK FLORAL | | 50.00 |
| | GENERAL GOVERNMENT | | 6,943.65 |
| 42 | PUBLIC SAFETY | | |
| 111350 | LEXISNEXIS RISK DATA MNGMT INC | | 50.00 |
| 129800 | BUREAU CRIMINAL APPREHENSION | | 390.00 |
| 137340 | CHAMBERLAIN OIL CO., INC. | 276.91 | 4,105.19 |
| 139025 | CINTAS | 180.68 | 37.22 |
| 142100 | CLOQUET MAIL STATION | | 17.39 |
| 142800 | CLOQUET SANITARY SERVICE | | 50.60 |
| 158000 | DULUTH/SUPERIOR COMMUNICATIONS | 695.00 | 95.00 |
| 167875 | FLAHERTY & HOOD, P.A. | | 326.25 |
| 195045 | KEEPRS, INC. | | 620.50 |
| 212800 | MID-STATES ORGANIZED CRIME | | 150.00 |
| 223725 | MN SHERIFFS' ASSOCIATION | | 120.00 |
| 244300 | BRENT BELICH | | 90.00 |
| 264000 | SIRCHIE FINGER PRINT LABS | | 229.36 |

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CITY OF CLOQUET
DEPARTMENT SUMMARY REPORT

PAGE: 2

INVOICES DUE ON/BEFORE 01/16/2018

| VENDOR # | NAME | PAID THIS FISCAL YEAR | AMOUNT DUE |
|--------------|--------------------------------|--------------------------|------------|
| ----- | | | |
| GENERAL FUND | | | |
| 42 | PUBLIC SAFETY | | |
| 268800 | STOCK TIRE COMPANY | | 646.00 |
| 269600 | SUPER ONE FOODS CLOQUET | | 25.07 |
| 270200 | SUPERIOR COMPUTER PRODUCTS INC | | 220.00 |
| 271325 | NANCY GETCHELL | | 850.26 |
| 278600 | TWIN PORT MAILING | 2,882.66 | 82.17 |
| 284875 | VERIZON WIRELESS | | 350.10 |
| 289015 | WELLS FARGO CREDIT CARD | | 2,766.39 |
| R0001284 | OFFICE OF MN IT SERVICES | | 333.00 |
| R0001548 | MINIT MART 557 | | 136.00 |
| R0001576 | NATIONAL ASSOCIATION OF | | 35.00 |
| | PUBLIC SAFETY | | 11,725.50 |
| 43 | PUBLIC WORKS | | |
| 121000 | ARROWHEAD SPRINGS INC | | 32.00 |
| 122000 | A T & T MOBILITY | | 49.86 |
| 125900 | BEST SERVICE | | 17.50 |
| 137340 | CHAMBERLAIN OIL CO., INC. | 276.91 | 3,453.97 |
| 139500 | CCP INDUSTRIES INC | | 569.63 |
| 142800 | CLOQUET SANITARY SERVICE | | 54.44 |
| 145300 | COMMUNITY PRINTING | | 26.16 |
| 154600 | DIVERSIFIED INSPECTIONS INC | | 428.40 |
| 175200 | GOPHER STATE ONE CALL INC | | 18.22 |
| 179340 | HAGENS GLASS & PAINT | | 33.00 |
| 184150 | JLA INDUSTRIAL EQUIPMENT INC | | 616.05 |
| 202100 | LAWSON PRODUCTS INC | | 53.92 |
| 211400 | MENARDS | | 127.10 |
| 227100 | MORTON SALT | | 2,083.82 |
| 229500 | NAPA AUTO PARTS | | 163.58 |
| 262875 | SHAMROCK LANDFILL INC | | 524.40 |
| 265250 | SNAP ON TOOLS | | 401.24 |
| 268800 | STOCK TIRE COMPANY | | 912.30 |
| 270200 | SUPERIOR COMPUTER PRODUCTS INC | | 290.00 |
| 272600 | TERMINAL SUPPLY INC | | 752.40 |
| 278600 | TWIN PORT MAILING | 2,882.66 | 82.17 |
| 284875 | VERIZON WIRELESS | | 90.82 |
| 289015 | WELLS FARGO CREDIT CARD | | 1,175.00 |
| 292400 | XEROX CORPORATION | | 64.42 |
| | PUBLIC WORKS | | 12,020.40 |

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CITY OF CLOQUET
DEPARTMENT SUMMARY REPORT

PAGE: 3

INVOICES DUE ON/BEFORE 01/16/2018

| VENDOR # | NAME | PAID THIS FISCAL YEAR | AMOUNT DUE |
|--------------------------------|--------------------------------|--------------------------|------------|
| ----- | | | |
| COMMUNITY DEV OPERATING (CITY) | | | |
| 46 | COMMUNITY DEVELOPMENT | | |
| 128400 | BRIGGS & MORGAN | | 500.00 |
| 145300 | COMMUNITY PRINTING | | 13.08 |
| 236450 | THE NORTHSPAN GROUP, INC. | 1,428.00 | 2,500.00 |
| 266590 | SPECSYS, INC | | 144.83 |
| 278600 | TWIN PORT MAILING | 2,882.66 | 41.09 |
| 289015 | WELLS FARGO CREDIT CARD | | 19.11 |
| 292400 | XEROX CORPORATION | | 48.31 |
| | COMMUNITY DEVELOPMENT | | 3,266.42 |
| SCDP (CITY) | | | |
| 46 | COMMUNITY DEVELOPMENT | | |
| 200450 | LAKES & PINES COMMUNITY ACTION | 7,800.00 | 29,643.00 |
| | COMMUNITY DEVELOPMENT | | 29,643.00 |
| TIF #3-1 - WOODWARD | | | |
| 70 | TAX INCREMENT DISTRICT | | |
| 291675 | WOODWARD ENTERPRISES LLC | | 8,249.58 |
| | TAX INCREMENT DISTRICT | | 8,249.58 |
| TIF#2-2 14TH STREET APARTMENTS | | | |
| 70 | TAX INCREMENT DISTRICT | | |
| 169955 | 14TH STREET APARTMENTS | | 10,173.04 |
| | TAX INCREMENT DISTRICT | | 10,173.04 |
| TIF #2-1 - OAKWOOD ESTATES | | | |
| 70 | TAX INCREMENT DISTRICT | | |
| 238925 | OAKWOOD ESTATES LLC | | 23,630.61 |
| | TAX INCREMENT DISTRICT | | 23,630.61 |
| PERMANENT IMPROVEMENT | | | |

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CITY OF CLOQUET
 DEPARTMENT SUMMARY REPORT

PAGE: 4

INVOICES DUE ON/BEFORE 01/16/2018

| VENDOR # | NAME | PAID THIS FISCAL YEAR | AMOUNT DUE |
|------------------------|-------------------------------|--------------------------|------------|
| PERMANENT IMPROVEMENT | | | |
| 56 | CONSTRUCTION & MAINTENANCE | | |
| R0001573 | STRAIGHTLINE SURVEYING INC | | 950.00 |
| | CONSTRUCTION & MAINTENANCE | | 950.00 |
| PARK FUND | | | |
| 45 | CULTURE AND RECREATION | | |
| 110950 | AARDVARK SEPTIC PUMPING | | 700.00 |
| 128260 | BRENT'S HEATING & COOLING LLC | | 99.00 |
| 137340 | CHAMBERLAIN OIL CO., INC. | 276.91 | 964.56 |
| 142800 | CLOQUET SANITARY SERVICE | | 272.21 |
| 175840 | GRANDE HARDWARE CO. | | 35.99 |
| 175950 | GRAPHIC TECHNOLOGIES | 961.62 | 70.00 |
| 179340 | HAGENS GLASS & PAINT | | 21.00 |
| 277550 | TURFWERKS | | 147.93 |
| 289015 | WELLS FARGO CREDIT CARD | | 44.15 |
| 293000 | ZARNOTH BRUSH WORKS, INC. | | 346.00 |
| | CULTURE AND RECREATION | | 2,700.84 |
| PUBLIC WORKS RESERVE | | | |
| 42 | PUBLIC SAFETY | | |
| 219067 | MN DEPT OF ADMINISTRATION | | 2,140.20 |
| | PUBLIC SAFETY | | 2,140.20 |
| BUSINESS PARK BONDS | | | |
| 36 | MISCELLANEOUS REVENUE | | |
| 291675 | WOODWARD ENTERPRISES LLC | | -7,033.60 |
| | MISCELLANEOUS REVENUE | | -7,033.60 |
| CITY SALES TAX CAPITAL | | | |
| 00 | | | |
| 280400 | ULLAND BROTHERS, INC. | | -13,133.45 |
| | | | -13,133.45 |

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CITY OF CLOQUET
DEPARTMENT SUMMARY REPORT

PAGE: 5

INVOICES DUE ON/BEFORE 01/16/2018

| VENDOR # | NAME | PAID THIS FISCAL YEAR | AMOUNT DUE |
|--------------------------------|--------------------------------|--------------------------|------------|
| ----- | | | |
| CITY SALES TAX CAPITAL | | | |
| 81 | SPECIAL PROJECTS | | |
| 213640 | MIDWEST PLAYGROUND CONTRACTORS | | 4,700.00 |
| 213650 | MIDWEST PLAYSAPES INC | | 25,100.00 |
| 261800 | SEH | | 2,233.56 |
| 280400 | ULLAND BROTHERS, INC. | | 262,669.07 |
| | SPECIAL PROJECTS | | 294,702.63 |
| | | | |
| WATER - LAKE SUPERIOR WATERLIN | | | |
| 50 | STATION 1 | | |
| 137310 | CENTURY LINK | 1,483.11 | 71.82 |
| | STATION 1 | | 71.82 |
| 51 | STATION 2 | | |
| 121000 | ARROWHEAD SPRINGS INC | | 24.00 |
| 139025 | CINTAS | 180.68 | 80.77 |
| 185900 | IDEXX DISTRIBUTION CORP. | | 222.46 |
| 288150 | WASTE MANAGEMENT NORTHERN MN | | 73.44 |
| | STATION 2 | | 400.67 |
| | | | |
| 52 | LAKE SUPERIOR WATERLINE | | |
| 137340 | CHAMBERLAIN OIL CO., INC. | 276.91 | 760.50 |
| 153800 | DIGGERS HOTLINE, INC. | | 6.40 |
| 190700 | JAMAR COMPANY | 2,419.51 | 280.01 |
| 284875 | VERIZON WIRELESS | | 35.01 |
| | LAKE SUPERIOR WATERLINE | | 1,081.92 |
| | | | |
| WATER - IN TOWN SYSTEM | | | |
| 49 | CLOQUET | | |
| 137340 | CHAMBERLAIN OIL CO., INC. | 276.91 | 1,096.16 |
| 165375 | FERGUSON WATERWORKS #2516 | | 377.41 |
| 175700 | GRAINGER | | 188.76 |
| 179300 | HACH COMPANY | | 144.28 |
| 202100 | LAWSON PRODUCTS INC | | 32.35 |

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CITY OF CLOQUET
DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 01/16/2018

| VENDOR # | NAME | PAID THIS FISCAL YEAR | AMOUNT DUE |
|-------------------------|--------------------------------|--------------------------|------------|
| ----- | | | |
| WATER - IN | TOWN SYSTEM | | |
| 49 | CLOQUET | | |
| 211400 | MENARDS | | 141.84 |
| 229500 | NAPA AUTO PARTS | | 50.98 |
| 275075 | TITAN MACHINERY | 754.24 | 25.92 |
| 283700 | USA BLUEBOOK | | 174.35 |
| 284875 | VERIZON WIRELESS | | 35.01 |
| 285500 | VIKING INDUSTRIAL NORTH | | 229.09 |
| | CLOQUET | | 2,496.15 |
| 54 | BILLING & COLLECTION | | |
| 145300 | COMMUNITY PRINTING | | 26.16 |
| 180425 | HARRIS COMPUTER SYSTEMS | | 240.95 |
| 278600 | TWIN PORT MAILING | 2,882.66 | 82.17 |
| | BILLING & COLLECTION | | 349.28 |
| 57 | ADMINISTRATION & GENERAL | | |
| 142800 | CLOQUET SANITARY SERVICE | | 18.15 |
| 145300 | COMMUNITY PRINTING | | 26.15 |
| 175200 | GOPHER STATE ONE CALL INC | | 10.94 |
| 262875 | SHAMROCK LANDFILL INC | | 479.49 |
| 270200 | SUPERIOR COMPUTER PRODUCTS INC | | 290.00 |
| 278600 | TWIN PORT MAILING | 2,882.66 | 82.17 |
| 292400 | XEROX CORPORATION | | 64.41 |
| | ADMINISTRATION & GENERAL | | 971.31 |
| ENTERPRISE FUND - SEWER | | | |
| 55 | SANITARY SEWER | | |
| 137340 | CHAMBERLAIN OIL CO., INC. | 276.91 | 662.75 |
| 184675 | HYDRO KLEAN | | 3,382.85 |
| 202100 | LAWSON PRODUCTS INC | | 21.56 |
| 284875 | VERIZON WIRELESS | | 35.01 |
| | SANITARY SEWER | | 4,102.17 |
| 57 | ADMINISTRATION & GENERAL | | |

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CITY OF CLOQUET
DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 01/16/2018

| VENDOR # | NAME | PAID THIS FISCAL YEAR | AMOUNT DUE |
|----------------------------|---------------------------|--------------------------|------------|
| ----- | | | |
| ENTERPRISE FUND - SEWER | | | |
| 57 | ADMINISTRATION & GENERAL | | |
| 142800 | CLOQUET SANITARY SERVICE | | 18.15 |
| 145300 | COMMUNITY PRINTING | | 26.15 |
| 175200 | GOPHER STATE ONE CALL INC | | 7.29 |
| 278600 | TWIN PORT MAILING | 2,882.66 | 82.20 |
| 292400 | XEROX CORPORATION | | 64.41 |
| | ADMINISTRATION & GENERAL | | 198.20 |
| STORM WATER UTILITY | | | |
| 57 | ADMINISTRATION & GENERAL | | |
| 289015 | WELLS FARGO CREDIT CARD | | 389.31 |
| | ADMINISTRATION & GENERAL | | 389.31 |
| CABLE TELEVISION | | | |
| 45 | CULTURE AND RECREATION | | |
| 121000 | ARROWHEAD SPRINGS INC | | 30.00 |
| 162640 | ENVENTIS TELECOM INC | | 47.24 |
| | CULTURE AND RECREATION | | 77.24 |
| CLOQUET AREA FIRE DISTRICT | | | |
| 42 | PUBLIC SAFETY | | |
| 137340 | CHAMBERLAIN OIL CO., INC. | 276.91 | 3,403.83 |
| 142800 | CLOQUET SANITARY SERVICE | | 39.75 |
| | PUBLIC SAFETY | | 3,443.58 |
| | TOTAL ALL DEPARTMENTS | | 447,530.05 |



ADMINISTRATIVE OFFICES

1307 Cloquet Avenue • Cloquet MN 55720
Phone: 218-879-3347 • Fax: 218-879-6555
email: areeves@cloquetmn.gov
www.cloquetmn.gov

REQUEST FOR COUNCIL ACTION

To: Honorable Mayor and City Council
From: Aaron S. Reeves, City Administrator *AR*
Date: January 16, 2018

ITEM DESCRIPTION: Amending City Code Chapter 11

Proposed Action

Staff recommends that the City Council approve the attached ordinance and resolution amending City Code Chapter 11 to allow for the setting of utility and related fees by resolution instead of ordinance.

Background/Overview

This change simply allows the City to adopt utility fees every year by resolution. Currently it must be done by ordinance meaning that with any utility fee changes we have to print all new pages for City ordinance books. With our proposed plan to adjust utility fees annually it makes sense to make this change to allow it to be done by resolution.

Supporting Documentation Attached

- Ordinance 471A
- Resolution No. 18-07 Authorizing Summary Publication of Ordinance 471A

CITY OF CLOQUET
COUNTY OF CARLTON
STATE OF MINNESOTA

RESOLUTION NO. 18-07

**A RESOLUTION AUTHORIZING PUBLICATION OF A SUMMARY
OF ORDINANCE NO. 471A, AN ORDINANCE AMENDING AND REPLACING CLOQUET
CITY CODE CHAPTER 11 REGARDING THE REGULATION OF UTILITIES WITHIN
THE CITY OF CLOQUET, FOR PURPOSES OF ADOPTING AN
INTEGRATED UTILITY RATE, FEE AND USAGE SCHEDULE WHICH
CAN BE AMENDED FROM TIME TO TIME BY THE CITY COUNCIL**

WHEREAS, the City Council of the City of Cloquet has duly adopted **ORDINANCE NO. 471A, AN ORDINANCE AMENDING AND REPLACING CLOQUET CITY CODE CHAPTER 11 REGARDING THE REGULATION OF UTILITIES WITHIN THE CITY OF CLOQUET, FOR PURPOSES OF ADOPTING AN INTEGRATED UTILITY RATE, FEE AND USAGE SCHEDULE WHICH CAN BE AMENDED FROM TIME TO TIME BY THE CITY COUNCIL**; and

WHEREAS, Minnesota Statute 412.191 requires that ordinances shall be published at least once in the official newspaper; and

WHEREAS, the City council has determined that the cost of publishing and entire section of the Code as proposed to be adopted by the City Council would be extremely expensive given the number of pages to be published; and

WHEREAS, Minnesota Statutes 412.191, Subd. 4, authorizes a municipality to publish only the title and a summary of lengthy ordinances or ordinances which contain charts or maps if the City Council determines that such publications would clearly inform the public of the intent and effect of the ordinance; and

WHEREAS, it is the intent of the City Council to act in accordance with all local, state, and federal laws, to inform the public of change in municipal laws, and to remain responsible financially with public funds.

NOW THEREFORE, BE IT RESOLVED, THAT THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, hereby authorizes the publication of a summary of Ordinance No. 471A; and

BE IT FURTHER RESOLVED, that a copy of Ordinance No. 471A shall be available for public viewing online at www.ci.cloquet.mn.us, at City Hall and at the Cloquet Public Library for a period of not less than thirty (30) days from the date of publication; and

BE IT FURTHER RESOLVED, that the summary publicized in the official newspaper shall be in the following form:

Summary Description
NOTICE OF SUMMARY
PUBLICATION OF ORDINANCES

On January 16, 2018, at its Regular Meeting, the Cloquet City Council adopted Ordinance No. 471A, a fifty-four page ordinance that details the regulation of utilities within the City of Cloquet for purposes of adopting an integrated utility rate, fee and usage schedule which can be amended from time to time by City Council.

The specific title of the ordinance is “**AN ORDINANCE AMENDING AND REPLACING CLOQUET CITY CODE CHAPTER 11 REGARDING THE REGULATION OF UTILITIES WITHIN THE CITY OF CLOQUET, FOR PURPOSES OF ADOPTING AN INTEGRATED UTILITY RATE, FEE AND USAGE SCHEDULE WHICH CAN BE AMENDED FROM TIME TO TIME BY THE CITY COUNCIL**”. The full ordinance and related exhibits are available to the public for inspection online at www.ci.cloquet.mn.us or during regular office hours at the Cloquet Public Library or City Hall.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 16TH DAY OF JANUARY 2018.

ATTEST:

Dave Hallback, Mayor

Aaron Reeves, City Administrator

ORDINANCE 471A

**AN ORDINANCE AMENDING AND REPLACING CLOQUET CITY CODE
CHAPTER 11 REGARDING THE REGULATION OF UTILITIES WITHIN
THE CITY OF CLOQUET, FOR PURPOSES OF ADOPTING AN
INTEGRATED UTILITY RATE, FEE AND USAGE SCHEDULE WHICH
CAN BE AMENDED FROM TIME TO TIME BY THE CITY COUNCIL**

The Mayor and City Council of the City of Cloquet does hereby Ordain that Chapter 11 of the Cloquet City Code is hereby amended and replaced with the following provisions:

Section 11.1: General

11.1.01. Water and Sewer Department. The City Engineer shall supervise the maintenance, care, management and operation of the streets, lights, water and sewer. The City Engineer shall be responsible for the management, maintenance, care and operation of the water works and sanitary sewer system of the City.

11.1.02. Use of Water and Sewer System Restricted. No person shall make or use any water or sewer service installation connected to the City water or sewer system except pursuant to application and permit as shall be provided in this Chapter. No person shall make or use any installation contrary to the regulatory provisions of this Chapter.

11.1.03. Applications for Service.

Subd. 1. Procedure. Application for a water or sewer service installation and for water and or sewer service shall be made to the City Engineer on forms prescribed and furnished by the City. By his or her signature, the applicant shall agree to conform to this Chapter and to the rules and regulations that may be established by the City as conditions for the use of these services.

Subd. 2. Fees or Deposit. Application for a service installation shall be made by the owner of the property to be served or by his or her agent. The applicant shall, at the time of making application, for water or sewer services, pursuant to this Section elect either to pay the established connection fees in full immediately; or to pay the connection fees over a period of five (5) years, if so approved by resolution of the City Council. Payment of the fees and rate of interest shall be according to the authorizing resolution. In those cases, where a person elects to pay connection fees over a period of five years, he or she shall be required to execute an agreement, acceptable in form to the City Attorney, which shall be recorded against the property to which the water or sewer connection shall be made, and which shall be binding upon the applicant and future owners of the property to pay the unpaid balance.

Subd. 3. Non-Resident Connections. No individual connections or hookups to the City water and/or sewer system shall be allowed to non-residents adjacent to or outside the city limits of Cloquet without a resolution by the City Council authorizing such connections. As part of this approval process, the City Engineer must provide information stating that the proposed connections shall not adversely affect the systems of the City and that there shall be sufficient capacity to provide the services to the non-residents without diminishing the services to the residents of the City. Upon receipt of this statement from the City Engineer, the City Council may, by resolution, permit non-residents to hook-up or connect to the City water and sewer systems. If so approved, the connection fees for non-resident connections shall be two times the cost for a resident of the City, unless there is a written agreement between the City of Cloquet and the adjoining governmental authority which specifically addresses non-resident connections in a different manner.

11.1.04. Permits and Charges for Service Connections.

Subd. 1. Permit. No connection shall be made to the City water or sanitary sewer system without a permit from the City Engineer. The City Engineer may deny a permit for sewer or water connection if:

- A. The Engineer finds the property can reasonably be served by an extension of the existing public system to the property of the applicant and intervening lands. It is the stated intention of the City to eliminate, where possible, construction of private lines serving private parcels of land in lieu of public lines.
- B. The Engineer finds that granting of a permit would encourage development of property which cannot economically be served by other utilities or improved accesses. A decision on the part of the City Engineer may be appealed by the applicant to the City Council upon written notice.

Subd. 2. Related Installation Costs. When a connection requires installation of a service line from the main to the property line, in addition to any connection fees, the applicant shall bear the costs of making the necessary connections, taps, and installation of pipe appurtenances, and necessary street repairs to provide service to the property.

Subd. 3. Certification. No permit as described above shall be issued to connect with any water or sanitary sewer main unless the City Engineer certifies to the truth of one of the following or the payments required under Section 11.1.04, Subd. 4, 5 and 6 shall be made:

- A. That the lot or tract to be served has been assessed for the cost of construction of the main with which the connection shall be made or that proceedings for levying the assessment have been or shall be commenced in due course; or
- B. That the cost of construction of the main has been paid by the developer or builder developing the lot or tract.

Subd. 4. Sanitary Sewer and Water Connection Fees for Lots Adjacent to the City Mains Not Previously Assessed. Each January, the City Engineer shall recommend to the City Council connection fees which shall be charges for water and sewer connections for properties adjacent to City mains not previously assessed for the extension of the mains. In developing a recommendation the City Engineer shall consider the current average or typical front foot costs for the construction of an eight (8) inch water main and an eight (8) inch sewer main. The Council shall adopt by resolution connection fees for sewer and water services which shall remain in effect until or unless modified by subsequent Council resolution. The connection fees shall not include charges for materials and labor as set forth in Subdivision 2 of this Section. In no instance shall the fees be based upon less than a seventy-five (75) foot frontage.

- A. Single Family Dwelling. The connection fee shall be charged in accordance with the Resolution of the City Council of the City of Cloquet as set forth in this section and the total water and sewer connection fee shall be based on a 75 foot frontage.
- B. Multiple Family Dwelling, Including Duplexes, Motels and Trailer Courts. The connection charge shall be established by the City Council upon request for connection but shall in no case be less than one and one-half times (1-1/2 x) the charge for a single family connection.
- C. Commercial and Industrial Structures. The connection charges shall be established by the City Council upon request for connection but shall in no case be less than one and one-half (1-1/2 x) the charge for a single family connection. In addition, a charge shall be added for all over and above average costs, if any, that the City may face to make the necessary connection.

Subd. 5. Western Lake Superior Sanitary District (WLSSD) Capacity Availability Fee (CAF). In addition to any sewer connection fees as established by the City of Cloquet, all applicants for new sanitary sewer connections shall also be required to pay a Capacity Availability Fee (CAF) in accordance with the rules and procedures as adopted by the WLSSD Board. Whenever there is a change in use or a physical change in a building that requires a building permit and/or plumbing permit, an additional Capacity Allocation Fee may be charged in accordance with the WLSSD's CAF rules.

Subd. 6. Water Connections and Connection Fees for the Cloquet - Lake Superior Waterline. Connections to the Cloquet – Lake Superior Waterline are expressly prohibited unless authorized by City Council resolution. In the event that such a connection is approved, the applicant shall be required to enter into a written agreement with the City, which details the conditions of the approval and use. Because water from the Lake Superior Waterline is non-potable, no connections or uses for domestic consumption shall be authorized or approved. In the event a connection is approved, a connection fee shall be established by the City Council.

Subd. 7. Utility Rate, Fee and Usage Schedule. Specifically incorporated herein by reference is a utility rate, fee and usage schedule which will be regularly reviewed and approved by the City Council by resolution from time to time for purposes of establishing the presently existing rates, fees and usage charges applicable to Chapter 11 of the City Code.

Section 11.2: User Charge System

11.2.01. Accounting, Billing and Collecting. Each user of water and sewer services to property served by the City water and/or sewer system shall pay monthly a water and sewer user charge as set forth in this Section.

Subd. 1. Accounts in Name of Owner and/or Occupant. All accounts shall be carried in the name of the owner of the premises connected to the water and sewer services, and/or the occupant of the premises, if the owner is not directly paying for the services. Where the term “user” appears in this Code in reference to the payment for water or sewer charges, the term shall include the owner and the occupant of the premises.

Subd. 2. Required Information. The owner, occupant or person in charge of any premises shall furnish the City with such information as may reasonably be required relating to use of water or sewer services provided by the City systems. Willful failure to provide the information, willful falsification of the information, or willful failure to comply with any requirement or order issued pursuant to this Section shall constitute a violation of this Section.

Subd. 3. Bills for Service. Water and sewer service charges shall be billed together. Bills shall be mailed to the owner, and/or occupant monthly and shall specify the water consumed in even thousand gallons and the sewer and water charges in accordance with the rates as established by City Council resolution. The procedure shall include a late payment penalty provision and shall provide for an interest charge on the unpaid balance of the charges as provided in this Section.

Subd. 4. Meters Required. Except as otherwise provided in this Section, for the purpose of determining the charges to be rendered against premises using the City's water and/or sewer systems, the volume of water used from the water system, and the volume of wastewater discharged into the sewer system by the owner, lessee, or occupant of any premises shall be based and computed upon the amount of water used on the premises as measured by an approved meter.

Subd. 5. Metering of Private Water Sources. In all cases in which the water shall be derived in whole or in part from sources independent from the city water system, the water supplied from private sources but placed into City sewers shall be measured by a water meter of a type approved by the City Engineer to be installed by the owner, lessee or occupant of the premises at his or her own cost and will be subject to the supervision and inspection by the City. User charges against the premises shall be based upon the volume of water used as measured from both public and private sources. Whenever the owner, lessee or occupant fails to install the meter, or where it shall not be practicable to measure the water consumed on any premises by a meter, the City Engineer shall determine the manner and the method used to estimate the volume of water from private sources which discharges into the system. The estimate shall be used in lieu of the meter volume of water from private sources to determine the wastewater charge thereon.

Subd. 6. Wastewater Meters. Where an accurate wastewater flow cannot be measured or determined with the use of a water meter, the City may require the installation of an acceptable wastewater flow meter as recommended by the City Engineer. The owner, occupant or user of the sewer service shall be required to install approved wastewater meters or other measuring devices that serve to demonstrate the volume of wastewater being discharged to the city sewer system. The volume of wastewater as so measured shall be the basis upon which the wastewater charges shall be made under this Section. Said meters shall be installed and maintained by the owner, lessee or occupant of the premises at his or her own expense and shall be subject to the supervision and inspection by the City.

Subd. 7. Minimum Usage Billings. The minimum usage that shall be billed by the City for any billing and collection period shall be one thousand gallons for both water and sewer.

Subd. 8. Miscellaneous Service Billings. All water and sewer charges for labor, materials, shut-off fees and etc. for a customer shall be invoiced or billed directly to the customer of record or may be billed as a miscellaneous charge on their respective utility accounts.

Subd. 9. Penalty for Late Payment. All charges for water, sewer and miscellaneous service shall be due on the monthly due date specified by the City for the respective account. Penalty for past due bills shall be 5% of the total bill, except, no penalty shall be charged on past due sales tax.

Subd. 10. Delinquent Accounts. All charges for water and sewer service shall be due on the monthly due date specified by the City for the respective amount and shall be delinquent twenty (20) days thereafter. The City shall endeavor to collect delinquent accounts promptly. When the delinquent customer shall be the tenant in possession or the property owner, and satisfactory arrangements for payment have not been made, after the procedural requirements of Section 11.2.01, Subd. 12 have been complied with, the City may discontinue service to the delinquent customer by shutting off the water at the curb box. When water service to any premises has been discontinued, service shall not be restored except upon the payment of all delinquent bills and an off/on fee as established and adopted by resolution of the City Council from time to time.

Delinquent accounts shall be certified to the City Administrator who shall prepare an assessment roll each year providing for assessment of the delinquent amounts against the respective properties served. The assessment roll shall be delivered to the Council for adoption on or before November 30th of each year for certification to the County Auditor for collection along with taxes. Such action shall be optional and may be subsequent to taking legal action to collect delinquent accounts.

If the delinquent customer shall be a tenant who has vacated the property or an owner who no longer has an ownership interest because of mortgage foreclosure, cancellation of contract for deed or for any other reason, collection of the delinquent account shall, at the option of the City Administrator, be either through a collection agency or legal proceedings in accordance with the City's Collection Policy.

Subd. 11. Liability For Payment of Services. The owner of premises which are connected to the City's water and sewer facilities, and the occupant thereof, shall be jointly and severally liable to pay for the service to the premises and the service shall be furnished to the premises by the City only upon the condition that the owner and occupant of the premises shall be jointly and severally liable to the City for the charges. The owner of rental property agrees, as a condition of receiving service, to be personally liable for water and sewer service furnished the tenants, lessees, or other occupants. A claim for unpaid charges which have been billed to the occupant of the premises or the user of the service may be recovered against the owner or occupant in a civil action in any court of competent jurisdiction or in the discretion of the City Administrator may be certified to the County Auditor to be collected with taxes against the premises so served or reported to a collection agency. Money paid to the County Auditor on the account shall belong to the City and shall be remitted to the City Administrator by the County Auditor in the manner provided by law for the payment of other money belonging to the City. In addition to, and not in lieu of, the foregoing method of enforcing payment of the charges, the City Engineer may, according to the rules and regulations as he or she may have established and the Council shall have by resolution approved, cause the City water supply for and to any premises to be shut off until all arrears, with interest and penalties on the delinquent charges, shall be paid, together with the cost of shutting off and turning on the water.

Subd. 12. Procedure for Shutoff of Services. If the amount claimed to be owed shall be actually due and unpaid and that there shall be no legal reason why the water supply of the delinquent customer may not be shut off in accordance with this Chapter, the City may shut off the supply. Water shall not be shut off under this Chapter or for a violation of rules and regulations affecting utility service until notice has first been given to the occupant of the premises involved and the customer is given a right to protest the shut-off notice in writing before the shut-off date. The shutoff notice shall state that if arrangements for payment are not made before a day stated in the notice not less than ten (10) days after the date on which the notice shall be given and the customer does not file a written protest, the water supply to the premises shall be shut off. Every possible attempt shall be made to notify the occupant personally before his or her water shall be actually shut off.

Subd. 13. Minnesota Cold Weather Rule. Water service will not be shut off between October 15 through April 15 if the shut-off would affect the primary heat source of the unit of residence affected and the customer otherwise complies with the requirements of Minnesota Statute § 216B.097 (Cold Weather Rule).

Subd. 14. Disposition of Revenues. All revenues derived from charges imposed under this Section shall be respectively credited to the City Water or Sewer Enterprise Funds, unless otherwise designated by City Council resolution.

11.2.02. Water User Charges. Each water user, as defined in Section 11.2.01, Subd. 1, shall pay charges and/or fees, which shall be established by resolution as adopted from time to time by the City Council. Each user shall pay a fixed monthly charge and a commodity charge for each one-thousand gallons of water used. Furthermore, the City may also charge additional fees such as a Minnesota Department of Health Service Connection Fee, applicable sales taxes or any other utility fees as established by State or Federal rules or regulations. Delinquent or late payment accounts shall furthermore be subject to a penalty for late payment and an off/on fee as established by Section 11.2.01, Subdivisions 9 and 10.

Subd. 1. Inside Rates/Outside Rates. The City shall establish both an “Inside Rate” and an “Outside Rate” for service usage. Unless otherwise specified by City Council resolution, “Inside Rates” shall apply to those premises which lie within the city limits of Cloquet and “Outside Rates” shall apply to those premises outside the city limits, unless otherwise determined or established by a special written agreement between the City and the user.

Subd. 2. Monthly Fixed Water Charge. Each water user shall pay a monthly fixed charge which shall be based upon the size of the water meter servicing the premises.

Subd. 3. Water Commodity Charge. In addition to the month fixed charge for water, the user shall also pay a water commodity charge for each 1,000 US gallons provided to the customer.

Subd. 4. Minnesota Department of Health Drinking Water Service Connection Fee. Each water user shall pay a monthly Drinking Water Service Connection Fee, as established from time to time by the State of Minnesota.

Subd. 5. Special Water Agreements. From time to time, the City may, by council resolution, enter into special utility service agreements with political jurisdictions, businesses or other entities, which establishes the conditions of water service and the user charges that apply.

Subd. 6. Automatic Meter Reading Devices Required. Water meters required in accordance with Section 11.2.01, Subd. 4 shall be provided with an Automatic Meter Reading (AMR) feature of the type and design as approved by the City. For those customer accounts where the water meter does not include an AMR feature, an additional fixed monthly Manual Read Charge shall be billed to the customer’s account.

11.2.03. Wastewater Classes and User Charges. For the purpose of recovering from users the cost of operation and maintenance of the City’s sanitary sewer wastewater facilities, sewer users, as defined in Section 11.2.01, Subd. 1, shall pay sewer charges and/or fees, which shall be established by resolution as adopted from time to time by the City Council. Each user shall pay a monthly fixed sewer charge and a commodity charge for each one-thousand gallons of wastewater discharged. Furthermore, the City may also charge applicable sales taxes or any other sewer utility fees as established by the Western Lake Superior Sanitary District (WLSSD), the State of Minnesota or any other Federal rules or regulations. Delinquent or late payment accounts shall furthermore be subject to a penalty for late payment and an off/on fee as established by Section 11.2.01, Subdivisions 9 and 10 of this Chapter.

Subd. 1. Wastewater Classes. All wastewater or sanitary sewer customers shall be assigned a wastewater classification of Class 1, Class 2, or Class 3 by the City Engineer. The Engineer in making the classification assignment shall take into account all available information with regard to the user's discharge and have the right to periodic sampling and inspection of the user's wastewater. Upon determining a particular user's wastewater classification, the Engineer shall file notice of the assignment with the City Administrator, and send a copy of the notice by regular mail to the user. The Engineer's determination shall be final unless within ten days of mailing of notice by the city, the user appeals the determination to the City Council. A user who believes that his or her discharge shall be significantly different than that contemplated by the classification system or a user who believes that the character of his or her discharge has changed since the classification assignment by the Engineer, may make application for reassignment.

- A. **Class 1.** "Class 1" shall mean wastewater having an average daily suspended solids concentration of not more than 200 mg/L and an average daily BOD of not more than 200 mg/L. (Example: Residential without commercial kitchens, Office, Business and Commercial Uses with only limited sanitary sewer needs.)
- B. **Class 2.** "Class 2" shall mean wastewater having concentrations greater than Class 1 but not exceeding 400 mg/L of suspended solids and 400 mg/L of BOD. (Example: Residential with commercial kitchens, full service restaurants, fast food establishments, delicatessens, and car washes.)
- C. **Class 3.** "Class 3" shall mean wastewater having concentrations greater than Class 2.

Subd. 2. Monthly Fixed Sewer Charge. All persons, customers or sewer users discharging wastewater to the City's sanitary sewer system shall pay a monthly fixed sewer charge as set by the City Council from time to time.

Subd. 3. Sewer Commodity Charge. In addition to the monthly fixed charge as called for in Section 11.2.03, Subd. 2, all sewer users shall pay a sewer commodity charge for each 1,000 US gallons used.

Subd. 4. Special Sewer Agreements. From time to time the City may, by council resolution, enter into special utility service agreements with political jurisdictions, businesses or other entities, which establishes the conditions of sewer service and the user charges that would apply.

11.2.04. Cost Distribution Policy. Charges made to the City by the WLSSD for the cost of the City's proportionate share of the operation, maintenance, including replacement, and debt service of the WLSSD wastewater facilities shall be distributed among the users within the City in accordance with the WLSSD domestic equivalent classification system.

Charges made to the City by the WLSSD in accordance with the Industrial Cost Recovery Requirements of Title II of the Federal Water Pollution Control Act Amendments of 1972 (Public Laws 92-500, 33 U.S.C. 1251 et seq) shall be apportioned among industrial users within the City in accordance with the WLSSD Industrial Cost Recovery Classification System.

Section 11.3: Water System

11.3.01. General Water Regulations.

Subd. 1. Discontinuance of Service. The City may discontinue service to any water customer without notice for necessary repairs or, upon notice as provided in Section 11.2.01, Subd. 10, for non-payment of charges or for violation of rules and regulations affecting utility service.

Subd. 2. Supply from One Service. Whenever two or more parties are supplied from one pipe connecting with a service main, each building or part of building separately supplied shall have a separate curb box or service shutoff valve and a separate water meter.

Subd. 3. Turning on Water, Tapping Mains. No unauthorized person shall turn on any water supply at the curb box or tap any distribution main or pipe of the water supply system or insert a stop cock or other appurtenance therein.

Subd. 4. Repair of Leaks. The customer or owner shall be responsible for maintaining the water service pipe from the curb box into the building served. If he or she fails to repair any leak in the service pipe within 10 days after notice by the City, or a longer period as prescribed by the City Engineer, the City may turn the water off. The water shall not then be turned on again until the leak has been repaired. When the waste of water shall be great or damage shall be likely to result from the leak, the City shall turn the water off immediately.

Subd. 5. Use of Fire Hydrants. No person other than an authorized City employee shall operate a fire hydrant without first obtaining a Hydrant Use Permit to do so from the City Engineer. Charges for water used under such permits shall be calculated based on actual or estimated usage and further shall include such special administrative costs as are deemed appropriate. All persons obtaining a Hydrant Use Permit agree to comply with the current hydrant use program requirements, standard charges and rules as established by the City and kept on file with the City Engineer.

Subd. 6. Private Water Supply. No water pipe connected to the City water supply system shall be connected with any pump, well or tank that shall be connected with any source of water supply not directly owned and operated by the City. When any connection shall be found, the City Engineer shall notify the owner to sever the connection and if this shall not be done immediately, the City shall turn off the water supply forthwith. Before any new connection to the City system shall be permitted, the Department shall ascertain that no cross connection shall exist when the new connection shall be made.

Subd. 7. Restricted Hours Due to Shortage of Water Supply. Whenever the Council determines that a shortage of water supply threatens the City, it may, by resolution, limit the times and hours during which City water may be used for sprinkling, irrigation, car washing, air conditioning, or other specified uses. After publication of the resolution or two days after the mailing of the resolution to each customer, no person shall use or permit water to be used in violation of the resolution and any customer who does so shall be charged a fee, which shall be established by resolution as adopted from time to time by the City Council, for each day of violation and the charge shall be added to his or her next water bill. If the emergency requires immediate compliance with the terms of the resolution, any customer who has received notice and thereafter uses or permits water to be used in violation of the resolution shall be subject to the charge provided above. Continued violation shall be cause for discontinuance of water service and a petty misdemeanor charge for each day of violation.

Subd. 8. Permitting Use by Others. No person shall permit City water to be used for any purpose except upon his or her own premises except in an emergency and then only if written permission shall be first obtained from the City Engineer. Any unauthorized person wishing to obtain water from a fire hydrant for any purpose shall make application to the City Engineer for the service, as required by Section 11.3.01, Subd. 5 of this Chapter.

11.3.02. Meters.

Subd. 1. Meters Required. Except for the extinguishment of fires, no person other than an authorized City employee shall use water from the City water supply system or permit water to be drawn there from unless the water passes through a water meter sold by the City to the user. No person not authorized by the City Engineer shall connect, disconnect, take apart, tamper, or in any manner change or interfere with any water meter or its use.

Subd. 2. Installation. Water service lines, including all piping, valves, standpipes and meters shall be installed by the owner at his or her expense and all installations shall be in accordance with the Minnesota State Plumbing Code and any and all requirements as established by the City Engineer.

Subd. 3. Maintenance. Following the initial purchase of a water meter by the customer, the City shall maintain and repair, at its expense, all water meters. Any meter that has become unserviceable through ordinary wear and tear shall be reconditioned or replaced by the City with a meter approved by the City Engineer. Meters which become broken or unserviceable because of freezing due to inadequate frost protection, negligence or vandalism shall be repaired or replaced by the City at the customer's expense. If the replacement of an existing meter requires additional or revised plumbing within the building itself to accommodate the new meter installation, the building owner shall be responsible to make arrangements for this plumbing work at his or her own expense. If a water meter becomes inoperable for any reason and the City is not afforded an opportunity to repair or replace the meter within a reasonable amount of time, water service may be discontinued immediately until the cause shall be corrected and the meter is repaired or replaced.

Subd. 4. Complaints; Meter Testing. When a consumer complains that the bill for any past service period is excessive, the City shall have the meter re-read on request. All meters two inches or less shall be tested once by the City without charge. All meters larger than two inches shall be tested at the owner's expense. If the test shows an error in the City's favor exceeding five percent (5%) of the water consumed, the City shall have the meter repaired or replaced with an accurate meter and the bill shall be adjusted accordingly. The adjustment shall not extend back more than one service period from the date of the written request.

Subd. 5. Meters Property of City. Water meters, after installation, shall be the property of the City and shall be removed or replaced as to size and type when deemed necessary by the City, as provided in Section 11.3.02, Subd. 3 of this Chapter.

Subd. 6. Meter Reading and Inspection. Authorized meter readers shall have access at reasonable hours of the day to all parts of every building and premises connected with the City water supply system in order to read meters and make inspections.

Subd. 7. Tampering or Bypassing of Water Meters. No person shall willfully damage, remove, relocate, tamper with or otherwise interfere with the proper operation or registration of any water meter. Furthermore, no person shall intentionally bypass any water meter to lessen or alter the amount water being measured for billing purposes.

11.3.03. Plumbing Regulations.

Subd. 1. Building Water Service Pipes. Water service piping shall be installed in accordance with the Minnesota State Plumbing Code and any and all requirements as established by the City Engineer. Every water service pipe shall be laid with sufficient bend to allow not less than one foot of extra length and in such manner as to prevent rupture by settlement. The service pipe shall be placed not less than eight feet below the surface and be so arranged as to prevent freezing.

Every building served by City water shall have a separate curb stop box (shutoff valve) installed on the building's water service line. Curb stop boxes shall be installed generally where desired by the owners of occupied properties, but they shall be placed as near as possible to the curb if on a street or within one foot of the alley line if the main shall be located in the alley. In no case shall they be installed more than 60 feet from the service line's connection with the City main. They shall be installed at an approximate depth of eight feet below the established grade and shall be left in an accurate vertical position when backfilling shall be completed. Copper tubing shall be used for all building water services of two inches or less, between the corporation tap on the City main and the curb stop shutoff valve. Joints on copper tubing shall be as few as possible and not more than one joint shall be used for a service up to 70 feet in length. Each joint shall be left uncovered until inspected by the City. Connections with the mains for domestic supply shall be at least 3/4 of an inch in diameter.

A shutoff valve of the size and type required shall be placed close to the inside wall of the building and before the water meter and be well protected from freezing.

All non-metallic water and sewer pipes shall be installed with a locating (tracer) wire and shall be a #6 hand drawn copper (ASTM B-1) or annealed 49-strand 203 alloy stainless steel wire, as directed by the City Engineer, to facilitate the locating of these underground utilities.

Subd. 2. Maintenance of Building Water Service Pipes. After initial installation by the building owner and acceptance by the City, all building water service pipes shall be maintained by the City from the corporation tap on the City main up to and including the curb stop shutoff valve. The maintenance of the remainder of the building water service pipe from the curb stop to the building shall be the responsibility of the building owner. In no case shall the City's maintenance responsibility extend beyond a public street or utility easement right-of-way.

Subd. 3. Abandonment of Building Water and Sewer Service Lines. Whenever a building water or sewer service line is abandoned, or otherwise no longer used, as a result of a building demolition, building relocation or the installation of new water and sewer building service lines, the old building service lines shall be properly disconnected from the City mains, at the building owner or property owner's expense, in accordance with the procedures and standards as established by the City Engineer.

Subd. 4. Water Meter Settings. Every water meter shall be installed in accordance with the following provisions:

- A. The service pipe from the water main to the meter shall be brought through the floor in a vertical position where the pipe enters the building. A suitable shutoff valve shall be installed within 12 inches of the pipes entry into the building and before the water meter.
- B. The bottom of the meter shall be between 6 and 12 inches above the finished floor line. The meter shall be set not more than 12 inches horizontally from the inside line of the building wall unless a different position shall be approved by the City Engineer. A suitable bracket shall be provided to support the meter in a proper horizontal position.
- C. Each water meter setting shall have a shutoff valve of adequate type and size installed on the street side and directly adjacent to the meter. In no case shall more than 12 inches of pipe be exposed between the point of entrance through the building floor and the shutoff valve. A second shutoff valve shall also be installed on the building side of the meter.
- D. All meters shall be installed and shall remain in such a location that is easily accessible to accommodate required reading, maintenance and replacement.
- E. If the water piping on either side of the meter is metallic piping, a permanent electrical ground strap must be properly installed across the meter.
- F. Meters larger than 2 inch in size shall be installed or otherwise provided with suitable bypass piping to allow for removal and testing of the meter without disturbing water service to the building.

Section 11.4. Sanitary Sewer System

11.4.01. Wastewater Facilities System.

Subd. 1. Established. There shall be hereby continued a City wastewater facilities system. The system shall include all lateral, main, and intercepting sewers, wastewater pumping stations, equipment and other works and facilities, whether presently existing or hereafter acquired, as shall be found necessary for completion of the system in first-class operating condition adequate to collect and transmit all wastewater of the City which shall be discharged into the City's wastewater facilities system to the wastewater facilities of the Western Lake Superior Sanitary District (WLSSD).

Subd. 2. Intent. It shall be hereby declared and ordained that the establishment and operation of the City wastewater facilities system is necessary and conducive to the public health, safety, welfare and convenience of the City and its inhabitants; that the system shall constitute and be a public utility plant and convenience from which revenues may and shall be derived and that service to be rendered to the inhabitants, industries and properties, by the collection of wastewater confers direct and indirect benefits to the inhabitants, industries, and properties of the City for which reasonable rates and charges may be imposed.

11.4.02. Definitions. The following words and phrases when used in this Section and when otherwise used in this Chapter shall have the meanings ascribed to them in this Section, unless the context otherwise clearly indicates.

Subd. 1. Authorized Inspector. An inspector authorized by the City of Cloquet.

Subd. 2. Biochemical Oxygen Demand or BOD: The quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedures in five (5) days at 20 degrees Centigrade and as expressed in terms of milligrams per liter (mg/l) and as described in Standard Methods.

Subd. 3. Board: The Cloquet City Council.

Subd. 4. Building Drain: That part of the lowest horizontal piping of a drainage system which receives the discharge from soil, waste, and other drainage pipes inside the walls of a building and conveys Wastewater to the Building Sewer, beginning 3 feet outside the inner face of the building wall.

Subd. 5. Building Sewer: The extension from the Building Drain to the Public Sewer, Private Sewer, On-site Wastewater Disposal System or other place of disposal; also referred to as a Service Connection.

Subd. 6. Clean Water Act: The Federal Water Pollution Control Act also referred to as the Clean Water Act, as amended.

Subd. 7. Combined Sewer: A Sewer receiving both surface runoff and Sewage.

Subd. 8. Commercial Wastewater: Wastewater emanating from a place of business of a Commercial User.

Subd. 9. City: The City of Cloquet, a political subdivision of the State of Minnesota.

Subd. 10. County Health Department: The health department of the County.

Subd. 11. Debt Service Charge: A charge to Users of Wastewater Treatment Facilities for the purpose of repaying the cost of capital improvements to the Wastewater Treatment Facilities.

Subd. 12. Engineer: The Person designated as the LUG's Engineer(s) or the authorized deputy, agent, or representative of the designated Engineer(s).

Subd. 13. Extra Strength Waste: Wastewater having a BOD and/or T.S.S. greater than NDS and not otherwise classified as an Incompatible Waste.

Subd. 14. Flow: The quantity of Wastewater.

Subd. 15. Garbage: Solid wastes from the domestic and commercial preparation, cooking, and dispensing of food, and from the handling, storage, and sale of produce and animal products, including the packaging of such products.

Subd. 16. Industrial User: A user which discharges Industrial Wastewater.

Subd. 17. Incompatible Waste: Waste that either singly or by interaction with other wastes interferes with any Sewage treatment process, constitutes a hazard to humans or animals in spite of the treatment method used by the WLSSD, creates a public nuisance or creates any hazards in the receiving waters of the Wastewater Treatment Facilities.

Subd. 18. Infiltration/Inflow or I/I: Water other than Wastewater that enters a Public Sewer or Service Connection from the ground or from surface runoff through such means as defective pipes, pipe joints, connections or manholes or from sources such as but not limited to, roof leaders, cellar drains, area drains, foundation drains, cross connections between Storm Sewers and Sanitary Sewers, catch basins, cooling towers, storm waters or drainage.

Subd. 19. Industrial Wastewater: The liquid, gaseous, and solid processing wastes from an industrial manufacturing process, trade, or business.

Subd. 20. Load: Quantities of Wastewater characteristics such as BOD, T.S.S., phosphorus or other constituents.

Subd. 21. Local Unit of Government or LUG: The City of Cloquet, Minnesota.

Subd. 22. MPCA: The Minnesota Pollution Control Agency.

Subd. 23. National Categorical Pretreatment Standards: Federal regulations establishing Pretreatment standards for introduction of pollutants in publicly owned Wastewater Treatment Facilities, found at Section 307(b) of the Clean Water Act.

Subd. 24. National Pollutant Discharge Elimination System Permit or NPDES Permit: A Permit issued by the United States Environmental Protection Agency/MPCA setting limits on pollutant strength that a permittee may legally discharge into the waters of the United States pursuant to Sections 402 and 405 of the Clean Water Act.

Subd. 25. Natural Outlet: Any outlet, including Storm Sewers and Combined Sewers, which flows into a water course, pond, ditch, lake or other body of surface water or ground water.

Subd. 26. Normal Domestic Strength Waste or NDSW: Wastewater that has those characteristics ordinarily introduced by domestic Users.

Subd. 27. On-Site Wastewater Disposal System; Individual Sewage Treatment System or ISTS: An arrangement of devices or structures for treating domestic or non-domestic Wastewater approved for use by applicable regulations of the State or County and located on or adjacent to the property of the generator of the Wastewater.

Subd. 28. Operation, Maintenance and Replacement Costs or O.M.&R: Expenditures necessary to provide for the dependable, economical and efficient functioning of the Wastewater Treatment Facilities throughout their design life, including operator training and Permit fees and the establishment of reasonable funds to offset depreciation of the Wastewater Treatment Facilities. Replacement refers to obtaining and installing of equipment, accessories, or appurtenances which are necessary during the design life or useful life, whichever is longer, of the Treatment Facilities to maintain the capacity and performance for which such system was designed and constructed, not the cost of future replacement of the entire facility.

Subd. 29. Permit: Written authorization from the City of Cloquet to perform acts allowed or required by this Ordinance.

Subd. 30. Person: Any individual, firm, company, association, society, corporation (municipal or otherwise) or other group discharging Wastewater to the Wastewater Treatment Facilities.

Subd. 31. pH: The logarithm of the reciprocal of the weight of hydrogen ions in grams per liter of solution.

Subd. 32. Pretreatment: The treatment of Wastewater prior to introduction thereof in to the LUG or the WLSSD Wastewater Treatment Facilities.

Subd. 33. Private Sewer or Private Wastewater Disposal System: A privately owned Sewer or privately owned Wastewater disposal system, including but not limited to a privately owned On-site Wastewater Disposal System.

Subd. 34. Properly Shredded Garbage: Garbage and/or the wastes from the preparation, cooking, and dispensing of food that have been shredded to such a degree that all particles will be carried freely under the Flow conditions normally prevailing in the Sanitary Sewer.

Subd. 35. Public Sewer(s): Any Sewer or pumping facility owned or operated by the City of Cloquet or the WLSSD.

Subd. 36. Residential User: A User of the Wastewater Treatment Facilities whose building is used primarily as a private residence and discharges NDSW.

Subd. 37. Sanitary Sewer: A Sewer that carries Wastewater and to which storm, surface and ground water are not intentionally admitted.

Subd. 38. Service Connection: The point at which the Building Sewer meets and is connected to the Public Sewer.

Subd. 39. Septage: High strength Wastewater derived from pumping the septic tank of an On-site Wastewater Disposal System. The term "Septage" also includes the Wastewater derived from recreational vehicles; campers; portable toilets; boats, ships and other marine vehicles, and the like.

Subd. 40. Sewer: A pipe or conduit that carries Wastewater or drainage water.

Subd. 41. Sewer Access Charge or SAC: The fees and charges, if any, established from time to time for access or connection to the Public Sewer.

Subd. 42. Slug: A discharge of water or Wastewater which in Load or Flow exceeds for any period of duration longer than 15 minutes, more than 5 times the average 24-hour concentration of Flow or Load during normal operation and which may adversely affect the collection system and/or performance of the Treatment Facilities.

Subd. 43. State: The State of Minnesota.

Subd. 44. State Disposal System Permit or SDS Permit: A Permit issued by the MPCA pursuant to Minnesota Statutes Section 115.07 for a disposal system as defined by Minnesota Statutes Section 115.01, subdivision 5.

Subd. 45. Standard Methods: The latest edition of Standard Methods for the Examination of Water and Wastewater published jointly by the American Public Health Association, the American Waterworks Association and the Water Environment Federation or EPA approved method listed in 40 CFR 136.

Subd. 46. Storm Sewer: A Sewer intended to carry unpolluted surface and subsurface water from any source.

Subd. 47. City Engineer: The official of the City of Cloquet who is authorized to enforce this Ordinance, or their authorized deputy, agent or representative.

Subd. 48. Suspended Solids (SS) or Total Suspended Solids or (T.S.S): Means Total Suspended Solids in Wastewater as determined under standard laboratory procedures as set forth in Standard Methods.

Subd. 49. Toxic Pollutant(s): The concentration of any pollutant or combination of pollutants which upon exposure to or assimilation into any organism will cause adverse affects as defined in standards issued pursuant to Section 307(a) of the Clean Water Act or Section 115.01, Subdivision 20 of Minnesota Statutes.

Subd. 50. Unpolluted Water: Water which meets the effluent criteria in effect or water that would not cause violation of receiving water quality standards and would not be benefited by discharge to the Sanitary Sewers and Wastewater Treatment Facilities provided.

Subd. 51. User Charge: A charge levied on the users of the Wastewater facilities for the cost of operation, maintenance, including replacement and debt service.

Subd. 52. Wastewater: A combination of the liquid and water-carried wastes from residences, business buildings, institutions, and industrial establishments. The term "Wastewater" also includes Septage.

Subd. 53. Wastewater Treatment Facilities or Treatment Facilities: The land, devices, facilities, structures, equipment and processes owned or used by the LUG and the WLSSD for the purpose of the transmission, storage, treatment, recycling and reclamation of municipal Wastewater, or structures necessary to recycle or reuse water including interceptor Sewers and the disposal of residues resulting from such treatment. Outfall Sewers, collection Sewers, pumping, power, and other equipment and their appurtenances; extension, improvements, remodeling, additions, and alterations thereof; elements essential to provide a reliable recycled water supply such as standby treatment units and clear well facilities, and any works including land which is an integral part of the treatment process or is used for ultimate disposal of residues resulting from such treatment.

Subd. 54. Watercourse: A channel in which a Flow of water occurs, either continuously or intermittently.

Subd. 55. WLSSD: Means Western Lake Superior Sanitary District, a public corporation and political subdivision of the State of Minnesota established by Chapter 478, Laws of Minnesota, 1971, now codified as Minn. Stat. Chapter 458D.

11.4.03. Use of Acceptable Wastewater Treatment System Required

Subd. 1. Suitable Treatment. It shall be unlawful to discharge to any natural outlet within the City of Cloquet any Wastewater or other polluted waters except where suitable treatment has been provided in accordance with the provisions of this ordinance.

Subd. 2. Construction or Maintenance of Privies and Like Devices Prohibited. Except as hereinafter provided, it shall be unlawful to construct or maintain any privy, privy vault, septic tank, cesspool, private wastewater disposal system, or other facility intended or used for the disposal of Wastewater.

Subd. 3. Unavailability of Public Sewer. Where a public sanitary sewer is not available as described in Section 11.4.04, Subd. 1, of this Chapter, the Building Drain must be connected to an acceptable On-Site Wastewater Disposal System or Individual Sewage Treatment System (ISTS). All such systems must be designed, permitted, installed and maintained in accordance with the applicable rules and regulations of Chapter 17, Cloquet Zoning Ordinance - Section 17.5.17, Subd. 16.

Subd. 4. Proper Abandonment of On-Site Disposal Systems. Whenever an existing On-Side Wastewater Disposal Systems is abandoned, or otherwise no longer used, as a result of a building sewer being connected to a public sewer, a building demolition or removal, or the installation of a new On-Site System, all old septic tanks, drywells and/or holding tanks shall be properly abandoned and filled to prevent collapse or settlement, as required by the City Engineer.

11.4.04. Service Connection Required.

Subd. 1. The owner of all houses, buildings or properties, of any character, wherein or whereon wastewater develops or occurs, shall be hereby required, at the owner's expense, to install suitable wastewater collection facilities in or on the houses, buildings, or properties and to connect such facilities directly with the proper public sewer in accordance with the provisions of this Chapter at the time of construction of such facilities in the case of new construction or new use, or within ninety (90) days after date of official notice to do so in the case of existing housing, buildings or properties, provided that such public sewer is located within an easement or right-of-way adjoining the property and is within four hundred (400) feet of such property.

Subd. 2. Connection by City. Whenever any owner or occupant fails to comply with written notice to hook up, the City Council shall by resolution direct that connection be made with the water and sewer system and that the cost of the installation shall be paid in the first instance out of the utility fund and then assessed against the property benefited.

Subd. 3. Assessment For Connections By City. After the installation has been completed pursuant to Council resolution and Section 11.4.04, Subd. 2 of this Chapter, the Administrator shall serve a written notice of the assessment upon the owner or his or her representative directing him or her to pay the assessment to the City Administrator within thirty (30) days after the service of the notice. If the assessment shall not be paid within thirty (30) days, the Administrator shall certify the amount to the County Auditor for collection in the same manner as other special assessments. The Council may, by resolution, spread the assessment over a number of years as determined by the City Council.

Subd. 4. Variance Request. If the property owner, upon receipt of written notice, feels the order to connect such facilities directly with the public sewer constitutes an undue hardship, is unreasonable or not feasible, the property owner shall respond back to the City, in writing, within 30 days after receipt of the City's written notice and request a variance from the requirements of Subdivision 1 of this Section.

Upon receipt of the property owner's written request, the City Engineer, together with the City's Zoning Administrator, shall review the individual case and hold a hearing to make a recommendation to the City Council as to any revisions to the City's original connection notice.

At least ten (10) days prior to holding this hearing the City shall notify abutting property owners, in writing, of the request and the time and date of the hearing.

In considering the variance, evidence shall be provided to show that:

- A. The hardship is based upon factors other than, or in addition to, cost (i.e. cost alone cannot be the principal factor);
- B. An extension of the City public sewer main is not feasible at this time;
- C. The lot or parcel in question has a minimum size which complies with the Cloquet Zoning Code or Ordinance provisions for On-Site Sewer Systems;
- D. The property owner agrees to connect to a private wastewater disposal system complying with the provisions of the Cloquet Zoning Code or Ordinance;

- E. The variance, if granted, shall not be contrary to the public interest or detrimental to neighboring properties and shall not prevent or inhibit the future extension of public sewers to serve the area in question.

11.4.05. Excavations. No excavation, for the installation of water and sewer service lines between a building and the City mains, shall take place on City streets, alleys, sidewalks, right-of-ways or other public grounds unless all regulations as prescribed in this Chapter and Chapter 9 (Streets) or any amendment thereto are complied with and an excavation permit is obtained.

11.4.06. Building Sewers and Connections

Subd. 1. Sewer Connection Permit Required. Except for City employees acting in the course of employment, no Person shall uncover, make any connections with or opening into, use, alter, or disturb any Public Sewer or appurtenance thereof without first obtaining a written Permit from the City Engineer. In all cases, the owner or his agent shall make application on a special form furnished by the City. The Permit application shall be supplemented by any plans, specifications, or other information considered pertinent in the judgment of the City Engineer. A Permit and inspection fee sufficient to defray the cost incidental to the processing of such connection Permit including the cost of inspection of connection for each such class shall be established by resolution of the City Council and shall be paid to the City at the time the application is filed. There shall be submitted to the City Engineer a report, in form and substance satisfactory to the City Engineer, which indicates that no I/I or Unpolluted Water will be discharged into the Public Sewer as a result of the Service Connection for which the permit is sought.

Subd. 2. Maintenance of Building Sewer Lines. The maintenance of the Building Sewer pipeline from and including the tap, tapping saddle, or wye branch connection on the city sewer main to the building is the responsibility of the building owner.

Subd 3. Owner's Responsibility. All costs and expenses incidental to the installation, connection, and maintenance of the Building Sewer shall be borne by the owner. The owner shall indemnify, defend and hold harmless the City from any loss or damage that may directly or indirectly be occasioned by the installation or maintenance of the Building Sewer.

Subd. 4. Separate Sewer. A separate and independent Building Sewer shall be provided for every building; except where an existing building stands at the rear of another and no separate Sewer has been constructed therefore, such building may continue to be connected to the Building Sewer of the front building and the whole considered as one Building Sewer, but the LUG shall, have no obligation or responsibility for damage caused by or resulting from any such single connection aforementioned.

Subd. 5. Old Sewers. Upon approval by the City Engineer, old Building Sewers may be used in connection with new buildings but only after passing an acceptable pressure test as required by the Minnesota State Plumbing Code.

Subd. 6. Abandonment of Building Water and Sewer Service Lines. Whenever a building water or sewer service line is abandoned, or otherwise no longer used, as a result of a building demolition, building relocation or the installation of new water and sewer building service lines, the old building service lines shall be properly disconnected from the City mains, at the building owner or property owner's expense, in accordance with the procedures and standards as established by the City Engineer.

Subd. 7. Size, Slope and Installation. The size, slope, alignment, materials of construction of a Building Sewer, and the methods to be used in excavating, placing of the pipe, jointing, testing, and backfilling the trench, shall all conform to the requirements of the Minnesota State Building and Plumbing Codes and other applicable rules and regulations of the City.

Subd. 8. Elevation. Whenever possible, the Building Sewer shall be brought to the building at an elevation below the basement floor. In all buildings in which any Building Drain is too low to permit gravity flow to the Public Sewer, sanitary sewage carried by such Building Drain shall be lifted by an approved means and discharged to the Building Sewer.

Subd. 9. Tracer Wires for Non-Metallic Pipe. All non-metallic water and sewer pipes shall be installed with a locating (tracer) wire and shall be a #6 hand drawn copper (ASTM B-1) or annealed 49-strand 203 alloy stainless steel wire, as directed by the City Engineer, to facilitate the locating of these underground utilities.

Subd. 10. Unpolluted Water Connections.

- A. No Person shall make connection of roof downspouts, areaway drains, or other sources of Unpolluted Waters such as storm water, ground water, roof runoff, subsurface drainage, unpolluted industrial water or cooling water to a Building Sewer or Building Drain which is connected directly or indirectly to a public Sanitary Sewer.
- B. Every person who owns a building which has roof drains, downspouts, areaway drains, sump pumps which are sources of unpolluted water such as storm water, ground water, roof runoff, subsurface drainage, unpolluted industrial water or cooling water connected to a building sewer or building drain which is connected directly or indirectly to a public sanitary sewer shall disconnect and remove the roof drains, downspouts, areaway drains, sump pumps in an effective, workmanlike manner, as approved by the City Engineer unless the disconnection and removal shall be estimated to cost more than ten (10) percent of the assessed value of the building.
- C. If, upon inspection, any of the above described connections are identified by the City, the City Engineer shall issue a written order to the building owner requiring disconnection within a reasonable amount of time. If the property owner, upon receipt of the notice, feels the order to disconnect constitutes an undue hardship, shall be unreasonable or not feasible, the property owner shall respond back to the City, in writing, within 30 days after receipt of the City Engineer's notice. Upon receipt of the property owner's written objection, the City Engineer shall review the individual case and make a recommendation to the City Council as to any revisions to the City Engineer's original disconnection notice.
- D. In those cases where it shall be determined by the City that the disconnection and removal of unpolluted sources of waters shall be either unreasonable or not in the best interest of the public, the building owner shall be required to make special application to the City Engineer for a special permit to allow the connections to exist. The City Engineer shall review the application and make a recommendation to the city council as to whether the request is warranted. If approved, a monthly permit fee, as recommended by the City Engineer, for the following connections shall be charged to the owner/occupant and shall be billed together with the monthly sewer user charges as established in Section 11.2.03 of this Chapter. The City shall reserve the right to discontinue the issuance of any such permit at anytime in the future.

Subd. 11. State Codes and Rules. The connection of the Building Drain to the Building Sewer and of the Building Sewer to the Public Sewer shall conform to the requirements of the Minnesota State Building and Plumbing Codes and other applicable rules and regulations of the City. All such connections shall be made gastight and watertight and verified by proper testing. The City Engineer shall have authority to promulgate rules, regulations, and tests as to the manner in which connections shall be made and the rules, regulations and tests when so promulgated and filed with the City Administrator shall be met.

Subd. 12. Inspection and Testing. The applicant for the Building Sewer Permit shall notify the City Engineer when the Building Sewer is ready for inspection and connection to the Public Sewer. The area to be inspected must be open for inspection and backfilling must not have commenced. All connections to the Public Sewer must be made under the supervision of the City Engineer.

Subd. 13. Excavations. No excavation, for the installation of Building Sewer service lines between a building and the City mains, shall take place on City streets, alleys, sidewalks, right-of-ways or other public grounds unless all regulations as prescribed in Chapter 9 (Streets) or any amendment thereto are complied with and an excavation permit is obtained.

Subd. 14. Conformance with Rules. All Building Sewers, Service Connections, pumps and other equipment must conform to specifications established by the City from time to time. Installation of a Building Sewer, Service Connection, pump or other equipment, which does not comply, with the requirements of the City will be a violation of this Ordinance. The City reserves the right to discontinue service to a property served by a Building Sewer, Service Connection, pump or other equipment, which does not comply, with the requirements of the City.

Subd. 15 Rules. The City may, by resolution, adopt reasonable rules and regulations relating to Sewer construction, use, maintenance, discharges, and deposit or disposal of all Wastewater, either directly or indirectly, within the City. Such resolution may adopt rules and regulations by reference.

11.4.07. Use of the Public Sewers

Subd. 1. Unpolluted Water. No Unpolluted Water such as storm water, ground water, roof runoff, surface drainage, cooling water, etc. may be discharged to the Sanitary Sewer. Such water must be discharged only to Storm Sewers or to Natural Outlets approved by the City and other regulatory agencies. Industrial cooling water may be discharged, on approval of the Engineer, to a Storm Sewer or Natural Outlet, subject to approval and the issuance of a NPDES Permit.

Subd. 2. Septage. Septage may only be discharged or deposited into the Sanitary Sewer at locations specifically designated by the City and WLSSD.

Subd. 3. Prohibited Substances. No Person(s) may discharge or cause to be discharged any of the following substances in or to the Public Sewer:

- A. Any liquids, solids or gases which by reason of their nature or quantity are, or may be, sufficient, either alone or by interaction with other substances, to cause fire or explosion or be injurious in any other way to the Treatment Facilities or to the operation of the Treatment Facilities. Prohibited materials include, but are not limited to, gasoline, kerosene, benzene, naphtha, fuel oil, toluene, xylene, ethers, alcohols, ketones, aldehydes, peroxides, chlorates, perchlorates, bromates, carbides, hydrides, sulfides waste oils or other petroleum based products.
- B. Any substance which either singly or by interaction with other waste will injure or interfere with any waste treatment process or Wastewater Treatment Facilities, constitute a hazard to humans or animals in spite of treatment, create a public nuisance or create a hazard in the receiving waters of the Wastewater Treatment Facilities, including but not limited to cyanides in excess of Federal and State requirements.
- C. Solid or viscous substances which may, either singly or by interaction with other wastes, cause obstruction to the Flow in a Sewer, or other interference with the proper operation of the Treatment Facilities such as, but not limited to, bone, fish heads, fish scales, fish entrails, ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, sanitary napkins, feathers, tar, plastics, wood, Garbage which is not Properly Shredded Garbage, whole blood, paunch manure, hair and fletching, entrails, and paper dishes, cups, milk containers, etc., either whole or ground by Garbage grinders.

Subd. 4. Other Prohibited Discharges. No Person may discharge or cause to be discharged the following described substance, materials, waters or wastes if it appears likely in the opinion of the City Engineer that such wastes can harm either the Sewers, Sewage treatment process, or Wastewater Treatment Facilities, have an adverse effect on the receiving waters, streams, soils, vegetation and ground water, or can otherwise endanger life, limb, public property, or constitute a nuisance. In forming his/her opinion as to the acceptability of these wastes, the City Engineer will give consideration to such factors as the District's NPDES Permit, the quantities of subject wastes in relation to the Flow and velocities in the Sewers, materials and construction of the Sewers, nature of the treatment process, capacity of the Treatment Facilities, degree of treatability of the Wastewater, and other factors deemed pertinent. The substances prohibited are:

- A. Any Wastewater that would directly or indirectly result in a violation of the WLSSD's NPDES Permit.
- B. Any liquid or vapor having a temperature higher than one hundred fifty (150) degrees F (65.6 degrees C), or causing, individually or in combination with other Wastewater, the influent at the Treatment Facilities to have a temperature exceeding 104°F (40°C), or having heat in amounts which will be detrimental to biological activity in the Treatment Facilities.
- C. Any water or waste containing fats, wax, grease, oils, whether emulsified or not, in excess of 100 milligrams per liter or containing substances which may solidify or become viscous at temperatures between 32 and 150 degrees F (65.6 degrees C).
- D. Any Garbage that is not Properly Shredded Garbage.
- E. Any waters or wastes containing iron, chromium, copper, zinc, nickel, lead, cadmium, mercury, cyanide, PCBs, and similar toxic or objectionable substances to such degree that any such material received in the composite Sewage at the Treatment Facilities exceeds the limits established by the MPCA for such unusual materials.
- F. Any waters or wastes containing phenols or other taste or odor producing substances, in such concentrations exceeding limits which may be established by the City Engineer as necessary, after treatment of the composite Sewage, to meet the requirements of the State, Federal, or other public agencies of jurisdiction for such discharge to the receiving waters.
- G. Any radioactive wastes or isotopes of such half-life or concentration as may exceed limits established by the City Engineer, in compliance with applicable State and Federal regulations.
- H. Materials which contain or cause, whether alone or by interaction with other substances, release of noxious gasses or form Suspended Solids (such as, but not limited to, Fullers earth, lime slurries and lime residues) or of dissolved solids (such as, but not limited to, sodium chloride and sodium sulfate) that would interfere with the Treatment Facilities or create a condition deleterious to or cause disruption to the Wastewater Treatment Facilities and processes.
- I. Materials which contain or cause excessive discoloration which cannot be removed in the treatment process (such as, but not limited to, dye wastes and vegetable tanning solution), excessive BOD, chemical oxygen demand, or disinfection requirements in such quantities as to constitute a significant Load on the Treatment Facilities, except by Permit or agreement.
- J. Unusual volume of Flow or concentration of wastes, which constitutes a Slug.
- K. Waters or wastes containing substances which are not amenable to treatment or reduction by the treatment process employed, or are amenable to treatment only to such degree that the Treatment Facilities effluent cannot meet the requirements or cause a violation of the regulations of the agencies having jurisdiction over discharge to the receiving waters or are amenable to treatment only by the application of extraordinary processes.
- L. Wastewater with BOD or Suspended Solids levels greater than that defined as Normal Domestic Strength Waste, except as may be Permitted by specific written agreement with the City and WLSSD.

- M. Wastewater contaminated by petroleum oil, fuel, organic solvents, or other toxic organic compound which contains more than 1 milligram per liter (mg/L) of anyone of the following compounds; benzene, ethylbenzene, toluene, and xylene (BETX). The sum of these four compounds must not be over 3 mg/L. Diesel range organics (DRO) and gasoline range organics (GRO) must each be less than 100 mg/l each. Lead must be under 1 mg/L and mercury less than 0.3 ug/L. For hauled Wastewater the concentrations must be less than 3 mg/l each for BETX with the combined total less than 10 mg/l. DRO and GRO must be less than 100 mg/L, lead less than 1 mg/L, and mercury less than 0.3 ug/L.
- N. Wastewater containing substances which cannot be treated to produce effluent quality required by agreement for Wastewater treatment with WLSSD or causing a violation of any applicable local, County, State, or federal regulation.
- O. Noxious or malodorous liquids, gases, or solids.
- P. Water or waste containing substances which are not amenable to treatment or reduction by the Wastewater treatment processes employed or are amenable to treatment only to such degree that the Wastewater Treatment Facilities effluent cannot meet the requirements of the NPDES Permit issued to the WLSSD or are amenable to treatment only by the application of extraordinary processes.

Subd. 5. Grease Interceptors and/or Grease Traps Required. Grease interceptors (sometimes called traps) shall be required at all facilities which provide food service and/or preparation activities, including, but not limited to, full service restaurants, fast food establishments, delicatessens, cafeterias, school cafeterias, church kitchens, hospitals, boardinghouses, clubhouses, adult daycare facilities, assisted living facilities, convalescent homes, meat distributors, food processing facilities, grocery stores with food preparation/service areas, bakeries, caterers, and/or other similar types of operations where commercial kitchen equipment is installed and the frequency of use indicates more than occasional use. The requirements for grease interceptors shall include the following:

- A. **Installation and Sizing.** A grease interceptor of sufficient size and efficiency shall be installed in the waste line leading from sinks, drains, or other fixtures from which greasy wastes can be introduced into the drainage system. All grease interceptors shall be sized and installed in accordance with the Uniform Plumbing Code and the Minnesota State Plumbing Code, however, all grease interceptors shall have an approved rate of flow which is not less than 20 gallons per minute and a grease retention capacity of not less than 40 pounds.
- B. **Maintenance of Grease Interceptors.** The owner will be responsible for the maintenance of grease interceptors, including proper removal and disposal of the captured materials by appropriate means, and must maintain a record of dates and means of disposal that are subject to review by the City.
- C. **Facility Grease Management Plans.** All facilities with grease interceptors or grease traps shall develop and implement a grease management plan that incorporates generally accepted fat, oil and grease best management practices into their operations. Such grease management plans shall be available for review by the City and any authorized health inspector.
- D. **Emulsifiers or Degreasers Prohibited.** No emulsifiers, surface active agents, enzymes, degreasers, or any type of product that will liquefy grease, shall be allowed as an alternative to providing an adequate grease interceptor and none of these products shall be placed directly into a grease interceptor, or into any drain that leads to a grease interceptor.

- E. **Variance, Conditional Waiver or Exceptions.** A variance or a conditional waiver from minimum sizing requirements or installation and maintenance requirements for grease interceptors may be granted by the City Engineer, where the food service establishment demonstrates to the Engineer's satisfaction that any grease discharge is negligible and will have an insignificant impact on the sewer system. In doing so, the facility must demonstrate that the discharge from its activities contains less than 100 mg/l of grease. The sampling and testing to demonstrate the concentration of grease in the discharge must be conducted, at the facilities expense, by an independent testing organization in accordance with acceptable industry standards. Grease interceptors shall not be required for single-family residences, duplexes, triplexes, quadplexes, or apartment complexes, unless the City determines that discharges from the property are creating problems with the public sewer system.
- F. **Existing Facilities:** Unless a variance or conditional waiver is granted as described in Subdivision 5E above, on or after the effective date of this ordinance, an existing facility shall be required to install an approved, adequately sized, and properly operated and maintained grease interceptor when any of the following conditions exist:
- 1) If the City Engineer determines that the use of the property becomes such that the discharge of grease from the facility to the public sewer has or is creating blockages of the public sewer or is creating abnormally high sewer maintenance costs for the City, the Engineer may order that an exterior grease interceptor be installed on the property. In this case, the Engineer shall give a reasonable timeframe for compliance, however, in no case shall a compliance deadline be more than twelve (12) months.
 - 2) The facility is remodeling the food preparation or kitchen waste plumbing in such a manner as to be subject to the issuance of a permit by the City Building Department.
- G) **Exterior Grease Interceptors for Restaurants and Other Food Processing Facilities.** In all new construction and remodeling, restaurants with a dining seating capacity exceeding one hundred (100) or more persons and certain food processing facilities, as determined by the City Engineer, shall have an exterior grease interceptor installed outside of the building. Said grease interceptors shall be designed and installed in accordance with the Minnesota State Plumbing Code and shall be sized to allow for a detention time of at least 30 minutes. The minimum size of an exterior grease interceptor shall be 1,000 gallons.

Subd. 6. Food Grinders or Disposals Prohibited. No food grinders, disposals or shredders shall be installed in any newly constructed food service establishment or food processing facilities. All food grinders shall be removed from an existing food service establishment upon either a major operational change to the facility or when the facility is remodeling the kitchen, food preparation or food processing waste plumbing in such a manner as to be subject to the issuance of a permit by the City Building Department.

Subd. 7. Oil and Sand Interceptors and Separators Required. Interceptors and separators for oil, sand and other substances harmful or hazardous to the building drainage system shall be provided, sized and installed in accordance with the Minnesota State Plumbing Code. The owner will be responsible for the maintenance of interceptors, including proper removal and disposal of the captured materials by appropriate means, and must maintain a record of dates and means of disposal that are subject to review by the City. Any material removal and hauling must be performed by the property owner's personnel or a currently licensed waste disposal firm and in compliance with all applicable laws and regulations.

Subd. 8. Pretreatment. Where Pretreatment or Flow equalizing facilities are provided or required for any water or wastes, plans, specifications, and any other pertinent information relating thereto shall be submitted for approval of the City and the WLSSD and no construction of such facilities shall be commenced until approval in writing is granted. Where such facilities are provided, they shall be maintained continuously in satisfactory and effective operating order by the owner at the expense of the owner and may be subject to periodic inspection by the City and the WLSSD to determine that such facilities are being operated in conformance with the applicable federal, State and local laws, regulations and Permits. The owner shall maintain operating records.

Subd. 9. Metering and Testing Access Structures – Industrial and Commercial Users. Where required by the City, Industrial and Commercial Users must install and maintain, at their own expense, a suitable structure or control manhole with such necessary meters and other testing equipment needed to facilitate observation, sampling and measurement of Wastewater. The manhole must be safe and accessible at all times and must be constructed in accordance with the plans and specifications approved by the City Engineer and the WLSSD.

Subd. 10. Metering and Testing of Non-residential and Commercial Users. The City, in its sole discretion may require Non-Residential Users and Commercial Users to install and maintain, at their own expense, a suitable structure or control manhole with such necessary meters and other testing equipment needed to facilitate observation, sampling and measurement of Wastewater as required in Section 11.4.07, Subd. 8, of this Chapter, for Industrial Users. The manhole must be safe and accessible at all times and must be constructed in accordance with the plans and specifications approved by the City Engineer and the WLSSD.

Subd. 11. Laboratory Analysis – Industrial Users. The City may require submission of laboratory analyses to illustrate compliance with this Ordinance and any special conditions for discharge established by the City or responsible regulatory agency. All measurements, tests and analyses to which reference is made in this Ordinance must be determined in accordance with the latest edition of Standard Methods. Sampling methods, location, times, duration and frequencies are to be determined on an individual basis by the City and WLSSD. The Industrial User must supply a complete analysis of the constituents of the Wastewater discharge to assure that compliance with Federal, State and local standards are being met. The Industrial User must report the results of measurements and laboratory analyses to the City and WLSSD at such times and in such manner as prescribed by the City and WLSSD. The Industrial User must bear the expense of all measurements, analyses, and reporting required by the City and WLSSD. At such times as deemed necessary, the City and WLSSD reserves the right to take its own measurements and samples for analysis by an independent laboratory.

Subd. 12. Water Meters. Where required by the City, water meters must be installed on a User's water supply lines to facilitate measurement of Wastewater generated. Water meters shall be supplied, installed and maintained in accordance with Section 11.03.02 of this Chapter. The meters shall be accessible at all times to the City for inspection, reading, maintenance and repair.

Subd. 13. Dilution of Discharges. No User may increase the use of process water or in any manner attempt to dilute a discharge as a partial or complete substitute for adequate treatment to achieve compliance with the limitations contained in this Article, the National Categorical Pretreatment Standards and any State or local requirement.

Subd. 14. Accidental Discharges.

- A. Where required by the City, Users must provide protection from an accidental discharge of substances regulated by this Ordinance. Where necessary, facilities to prevent accidental discharges of prohibited materials must be provided and maintained at the owner's expense. Detailed plans and operating procedures of said facilities must be submitted to the City Engineer for review and approval prior to construction of the facility. Approval of such plans and operating procedures will not relieve User from the responsibility of modifying the facility as necessary to meet the requirements of this Ordinance.

- B. Users must notify the City and WLSSD immediately if a Slug or accidental discharge of Wastewater occurs in violation of this Ordinance. Notification will allow measures to be taken to minimize damage to the Treatment Facilities. Notification will not relieve Users of liability for any expense, loss or damage to the Treatment Facilities, or for fines imposed on the community by any State or federal agency as a result of their actions.

Subd. 15. Emergency Repairs. Notwithstanding anything in this Ordinance to the contrary, in the event of damage to Sewers or the Treatment Facilities, which disrupts other Users, the City may without notice repair such damage.

Subd. 16. Special Agreements or Arrangements. No statement contained in this Article shall be construed as preventing any special agreement or arrangement between the City and the WLSSD, and any industrial concern whereby an industrial waste of unusual strength or character may be accepted by the City and the WLSSD for treatment. Provided that any such agreement shall establish that charges to user shall be in accordance with the City established User Charges.

11.4.08. Damage to Wastewater Facilities Prohibited

Subd. 1. Prohibited Activities. No Person shall maliciously or willfully break, damage, destroy, uncover, deface, or tamper with any structure, appurtenance, or equipment which is a part of the Wastewater facilities. Any Person violating this provision shall be guilty of a misdemeanor, shall be subject to immediate arrest, and shall be liable to the City and the WLSSD for the cost of making necessary repairs occasioned by such violation.

Subd. 2. Deposits or Obstructions.

- A. No Person may permit any substance or matter that may form a deposit or obstruction of Flow to be discharged into the Public Sewer. Whenever any Service Connection becomes clogged, obstructed, detrimental to the use of the Public Sewer, or unfit for the purpose of drainage, the owner must make repairs as directed by the City or the WLSSD.
- B. If 48 hours after receiving written notice from the City the property owner has not commenced repairs, the City may have said work done and may collect such amounts from the property owner.

Subd. 3. Unauthorized Discharges. In the event of discharges or proposed discharges to the Public Sewers that contain substances or possess characteristics prohibited in this Ordinance or which in the judgment of the City Engineer may have a deleterious effect on the Treatment Facilities, processes, equipment, receiving waters, soils, vegetation, or which create a hazard or nuisance, the City Engineer may:

1. Refuse to accept the wastes.
 2. Require Pretreatment to an acceptable condition for discharge to the Public Sewers, pursuant to Section 307(b) of the Clean Water Act and all addenda thereof.
 3. Require control over the quantities and rates of discharge.
 4. Require payment to cover all the added costs of handling, treating and disposing of wastes not covered by existing taxes or Sewer Access Charges or Sewer Service Charges.
- B. If the City Engineer permits the Pretreatment or equalization of Flow, the design and installation of the plant and equipment are subject to review and approval by the District and subject to the requirements of all applicable Federal and State codes, ordinances, and the National Categorical Pretreatment Standards.

11.4.09. Powers and Authority of Inspectors

Subd. 1. Right of Entry. The City Engineer and other duly authorized employees of the City and the WLSSD bearing proper credentials and identification shall be permitted to enter all properties for the purposes of inspection, observation, measurement, sampling and testing pertinent to discharge to the Wastewater facilities in accordance with the provisions of this ordinance. The City Engineer or other duly authorized employees of the City and the WLSSD shall be provided by users with such information concerning industrial processes as have a direct bearing on the kind and source of discharge to the Wastewater facilities.

Subd. 2. Indemnification. While performing the necessary work on private properties referred to in Section 11.4.11, Subd. 1, above, the City Engineer or duly authorized employees of the City and the WLSSD shall observe all safety rules applicable to the premises established by the owner, and the owner shall be held harmless for injury or death to such employees, and the City and the WLSSD respectively shall indemnify the owner against loss or damage to its property by City and WLSSD employees and against liability claims and demands for Personal injury or property damage asserted against the owner and growing out of the gauging and sampling operation, except as such may be caused by negligence of the owner or the failure of the owner to maintain safe conditions as required under this ordinance.

Subd. 3. Easements. The City Engineer and other duly authorized employees of the City and WLSSD bearing proper credentials and identification shall be permitted to enter all private properties through which the City holds an easement for the purposes of, but not limited to, inspection, observation, measurement, sampling, repair, and maintenance of any portion of the Wastewater facilities lying within said easement. All entry and subsequent work, if any, on said easement, shall be done in full accordance with the terms of the easement pertaining to the private property involved.

Section 11.5: Dump Stations

11.5.01. Definitions

Subd. 1. Liquid Waste Disposal Site is defined as a public dumping station owned and operated by the City of Cloquet, or its designated agent, where commercial liquid waste haulers and/or companies that transport liquid waste, discharge or dump such wastes into the sanitary sewer collection system owned by the City of Cloquet.

Subd. 2. Recreational Vehicle Sewage Dump Station is defined as a facility designed and intended only for the emptying of recreational vehicle sewage holding tanks into the City sanitary sewer system.

Subd. 3. Owner is defined as any individual, firm, company, corporation, or other group who has received a permit from the City of Cloquet to perform acts allowed or required by this Ordinance.

Subd. 4. City is defined as the City of Cloquet, which is a municipal corporation in the State of Minnesota.

Subd. 5. WLSSD is an abbreviation for the Western Lake Superior Sanitary District, which is a public corporation and political subdivision of the State of Minnesota established by Chapter 478, Laws of Minnesota, 1971 for purposes of providing waste disposal services to the public.

Subd. 6. System is defined as the sanitary sewer collection system owned and operated by the City of Cloquet.

Subd. 7. Domestic Septage is defined as domestic sewage, water and sludge, pumped from a septic tank with a drain field.

Subd. 8. Domestic Holding Tank Waste is defined as domestic sewage pumped from a sealed tank with no drain field. Portable toilets are also included in this waste type category.

Subd. 9. Commercial Waste is defined as a non-industrial waste hauled from a business or service establishment and for the purpose of this ordinance is limited to the water portion pumped from flammable waste traps and/or car wash and parking ramp sand traps.

Subd. 10. Industrial Wastes are defined as one of the following:

- A. Liquid waste resulting from an industrial or manufacturing process, or from the development, recovery, or processing of a natural resource. Examples of Industrial Waste include but are not limited to the following
 1. Machine Coolants,
 2. Metal Finishing Wastewater,
 3. Antifreeze from heating and cooling systems (Ethylene or Propylene Glycol),
 4. Aqueous Cleaners,
 5. Neutralized Acids & Caustics,
 6. Manufacturing or Production Area Sump Water,
 7. Truck Wash Water (generally from the insides of trucks),
 8. Food Wastes generated from the production of a food Product,
 9. Photographic Chemicals.
- B. Landfill Leachate: Wastewater resulting from the percolation of rain water and/or internal liquids through the deposited material in a solid waste disposal facility.
- C. Contaminated Groundwater: Polluted water pumped from a contaminated aquifer or an underground storage tank as part of a remedial action.

11.5.02. Establishment and Operation of Liquid Waste Disposal Sites.

Subd. 1 Construction and Operation of Liquid Waste Disposal Sites. No person, other than the City of Cloquet or its authorized agent, licensee or representative, shall establish, construct or operate a Liquid Waste Disposal Site within the City of Cloquet or operate such a disposal site which drains to the sanitary sewer system owned by the City of Cloquet.

Subd. 2. Construction and Operation of Recreational Vehicle Sewage Dump Stations. No person, other than the City of Cloquet or its authorized agent, licensee or representative, shall establish, construct or operate a Recreational Vehicle Sewage Dump Station within the City of Cloquet.

Subd. 3. Dumping of Liquid Wastes at Approved Sites Only. No person or owner of a liquid waste hauling business shall dump or dispose of any liquid wastes, which drain to the sanitary sewer collection system owned by the City of Cloquet, except at a Liquid Waste Disposal Site as specifically designated and established by the City of Cloquet and the use of said facilities shall be in accordance with all applicable rules as established by this Ordinance, the WLSSD and the City of Cloquet.

Subd. 4. Days and Hours of Operation. The days and hours of permitted dumping and all access to City facilities shall be scheduled by the City Engineer. Any modification or change in the hours of operation or in the use of the disposal site shall be pursuant to the written directives of the City Engineer.

11.5.03. Required Liquid Waste Hauler Permits and Permit Fees.

Subd. 1. Hauler Permit Required. No person shall discharge or dump domestic septage, domestic holding tank waste, commercial waste, industrial waste, or any other liquid wastes into any part of a sanitary sewer collection system, which drains into the sanitary sewer collection system owned by the City of Cloquet, without first obtaining a Liquid Waste Hauler Permit from the WLSSD and the City of Cloquet.

Subd. 2. Hauler Permit from WLSSD Required. Prior to the issuance of a permit by the City of Cloquet, all haulers must first obtain a Liquid Waste Hauler Permit from the WLSSD in accordance with their Transported Liquid Waste Program.

Subd 3. Compliance with Rules. As a condition of permit issuance by the City of Cloquet, the Owner agrees to accept and comply with all operating rules and general permit conditions as established by the WLSSD Transported Liquid Waste Program Policies and Procedures, and this Ordinance.

Subd. 4 Annual Permit Fee. An annual Liquid Waste Hauler Permit fee, issued to each hauler by the City, shall be established by resolution of the City Council and shall remain in effect until or unless modified by subsequent Council resolution. This annual hauler permit fee shall be assessed by the City and will be in addition to the Liquid Waste Hauler Permit fee required by the WLSSD. Any person or owner utilizing a City of Cloquet Liquid Waste Disposal Site will be required to obtain both permits and pay both permit fees.

Subd. 5. Associated Costs and Liability. All costs and expenses involved in dumping at a City Liquid Waste Disposal Site shall be borne by the permittee. The permittee agrees as a condition of its permit to indemnify the City from any loss or damage that may directly or indirectly result from the permittee's dumping of effluent into the sanitary sewer system of the City of Cloquet. As an additional condition of its permit the Owner agrees to hold the City harmless from any and all claims of property damage or for damage to any of permittee's equipment when upon the premises of the City for dumping and related purposes unless such damage or loss results from intentional acts.

11.5.04. Vehicle Identification.

Subd. 1. Registration of Vehicles with WLSSD. Liquid Waste Haulers will be required to register each dumping vehicle with the WLSSD as part of their permit application and must display the WLSSD permit identification number on the back of each vehicle or on the top rear of the tank on such vehicles as required by the WLSSD.

11.5.05. Dumping Fees.

Subd. 1. Trip or Load Fees. In addition to the annual permit fees, a trip fee or load fee per 1,000 gallons dumped shall be charged by the City of Cloquet for all discharges at the City's Liquid Waste Disposal Site and these rates shall be established and updated from time to time by Council resolution.

Subd. 2. Payment of Dumping Fees. All dumping fees due under this Ordinance shall be paid to and received by the City of Cloquet no later than 30 days following the end of each month within which any loads are dumped. Permittee who fail to submit their required monthly report and fees as established by this Ordinance within 15 days of the due date, will be assessed a late report fee as established by Council resolution.

11.5.06. Required Reports.

Subd. 1. Liquid Waste Report Form. All loads of liquid waste transported for disposal at the City of Cloquet's Liquid Waste Disposal Site must be recorded by the waste hauler on a Liquid Waste Hauler Discharge Report form, as provided by the City. This form shall be used to account for all transported liquid wastes discharged to the City's sanitary sewer system.

Subd. 2. Monthly Submission of Report Forms. The waste hauler is required to submit Liquid Waste Hauler Discharge Reports to the City once per month. This report is due thirty (30) days after the end of the reporting month. The waste hauler must submit a report even if there were no loads dumped during the reporting month.

Subd. 3. Required Report Information. The Liquid Waste Hauler Discharge Report requires the Permittee to list the volume of the various waste types (as defined in the previous sections) for each individual load discharged during the reporting period. The date of each delivery must be noted, as well as the name, phone number and address of each liquid waste source.

Subd. 4. Signature On Report Form Required. All monthly reports must be signed by the Permittee. By signing the report, the waste hauler certifies under penalty of law that the information provided is correct and complete to the best of his or her knowledge.

Subd. 5. Maintenance of Records. Waste haulers are required to keep accurate records of the waste discharged into the System for a period of not less than 3 years. In addition, the City reserves the right to access these records, at any time during normal business hours, to verify information reported to the City on routine discharge reports. Failure to accurately report loads will result in enforcement action.

Subd. 6. Failure to Submit Monthly Reports or Pay Fees. Permittee who fail to submit their monthly reports or pay all fees as required by this Ordinance will be assessed a late fee as established by Council resolution. These late fees may be assessed in addition to any other action taken concerning the Owner's permit and failure to file timely reports and fees shall be immediate grounds for denial, suspension and/or revocation of the permit to dump or operate within the City of Cloquet.

11.5.07. Prohibited Wastes.

Subd. 1. No person shall dump, discharge or cause to be discharged into the sanitary sewer system of the City of Cloquet, any prohibited liquid wastes as defined in this Section.

Subd. 2. Prohibited wastes as specified in the Industrial Pretreatment Ordinance and Sewer Ordinance issued by the WLSSD include, but are not necessarily limited to the following:

- A. Any liquids containing flammables, explosive and corrosive wastes, gasoline, fuel oil, hydraulic oil, motor oil, or grease;

- B. Wastes that are likely to obstruct the flow within public sewers: grease, fat, or oil of animal or vegetable origin, solid wastes, garbage, guts, bones, ash, rags, lime, metal, sand, grit, gravel, rocks, wood, plastic, glass, or yard wastes;
- C. Sand or grit removed from flammable waste traps, car wash sand traps or parking ramp sand traps.
- D. Wastes that are likely to cause interference, pass-through, or operational problems with any waste treatment process, or wastewater facilities: slug discharges, toxic chemicals, poisons, dyes, or inks;
- E. Wastes that are likely to cause a public nuisance: noxious, malodorous, or foam producing substances;
- F. Hazardous wastes, as defined by Minnesota Statutes; and
- G. Radioactive wastes.

11.5.08. Discharge of Commercial Wastes.

Subd. 1. For the purposes of this Ordinance, commercial waste is limited to the following:

- A. The water portion from flammable waste traps; and,
- B. Wastewater from car wash or parking ramp sand traps. However, any sand and grit removed from car wash or parking lot sand traps is expressly prohibited from being dumped or discharged into the public sewer as per Section 11.5.07, Subdivision 2 above.

Subd. 2. The following rules shall govern the collection of wastewater from flammable waste traps, and car wash and parking ramp sand traps:

- A. All floating oil and/or gasoline shall be removed prior to pumping the trap. The service station or business owner shall remove the petroleum layer and send it out for recycling. Absorbent pads shall be used to remove any thin layer of oil still present on the surface of the water and disposed of in a proper manner. Note: Petroleum products and their derivatives are prohibited wastes to the sanitary sewer system as per Section 11.4.07, Subdivision 4 of this Chapter and under no circumstances shall they be discharged to the System.
- B. Sand or grit from the trap bottom must be separated from the liquid wastes and must be disposed of at an approved solid waste disposal site.
- C. Although the City currently accepts wastewater from flammable waste traps, under the conditions specified above, the City reserves the right to prohibit this liquid waste if it is being improperly handled and/or is deemed necessary due to operational or compliance problems.

11.5.09. Discharge of Industrial Wastes.

Subd. 1. Approval of Industrial Wastes by WLSSD. Prior to the discharge of any Industrial Waste loads at any City owned Liquid Waste Disposal Site, the hauler must first obtain a written letter of approval from the WLSSD in accordance with their Transported Liquid Waste Program. A copy of this approval letter shall be furnished to the City of Cloquet prior to discharge.

Subd. 2. Sampling and Analysis of Industrial Wastes. All Industrial Waste loads shall be sampled and analyzed prior to discharge. Sampling may be conducted by the waste hauler or by industry personnel according to instructions specified by the WLSSD. The specific parameters for which the sample is to be analyzed, as well as the acceptability of a specific industrial waste type (for disposal into the System), shall be determined by the WLSSD.

11.5.10. General Liquid Waste Disposal Site Rules.

Subd. 1. All haulers using any City Liquid Waste Disposal Site will be required to adhere to the following rules of operation:

- A. No hauled loads of liquid waste will be discharged into the system without use of a minimum 3" inside diameter coupling and hose.
- B. Under no circumstances shall waste be discharged onto the ground. If a spill occurs, it is the responsibility of the hauler to clean up the spill at the permittee's expense and to notify the City immediately. To the extent that assistance from the City is required or requested, the permittee consents to reimburse the City for all cleanup costs incurred.
- C. All haulers or permittee are also required to immediately notify the City in the event that a load discharged contained waste different from that initially represented to be in the load or wastes that are suspected to contain Prohibited Wastes as described elsewhere in this Ordinance.

Section 11.6: Enforcement And Penalties

11.6.01 Enforcement. The provisions of this Chapter and all standards, limitations, orders, schedules of compliance, and all provisions and conditions of any permit issued by the City under this Chapter shall be enforced by the City, by any one or any combination of the following: criminal prosecution; action to recover civil damages; injunctions; action to compel performance; or termination of service.

11.6.02 Penalties.

Subd. 1. Fine. Any person who continues any violation of this Chapter or any provision of a permit issued by the City under this Chapter beyond the time limit provided for in the City Engineer's written notice of violation or any property owner who refuses to allow entry or otherwise interferes with the City Engineer or other duly authorized employees of the City in carrying out inspections as authorized shall be subject to a penalty which shall be established by resolution as adopted from time to time by the City Council for each violation.

Subd. 2. Separate Offense. Each day in which a violation referred to above continues shall be deemed a separate violation.

Subd. 3. Misdemeanor. Any person who willfully or negligently violates any provision of this Chapter or any provision of a permit issued by the City under this Chapter or any person who knowingly makes any false statement or representation in any record, report, application, plan or other document filed with the City pursuant to this Chapter, or who falsifies, tampers with, or renders inaccurate any monitoring device or method required under this Chapter or any permit issued by the City under this Chapter shall be guilty of a misdemeanor and upon conviction thereof shall be punished for each violation by a fine as provided for by Minnesota Statutes for misdemeanors, or 90 days imprisonment, or both.

| | | Expiration Date |
|---------------------|---|-----------------|
| Section 11.7 | Granting of Natural Gas Franchise of Aquila Inc. | Sept. 29, 2019 |
| Section 11.8 | Granting of Franchise to Media Com - Cable Television | May 31, 2015 |
| Section 11.9 | Granting of Electric Distribution Rights to MN Power | Nov. 5, 2033 |

THESE SECTIONS OF THE CODE MAY NOT BE AMENDED WITHOUT PRIOR APPROVAL FROM ALL PARTIES INCLUDED IN THE AGREEMENTS.

**Section 11.7 Granting Northern Minnesota Utilities a Natural Gas Franchise
and the Authority to Construct, Operate, Maintain and Extend a
Natural Gas Distribution Plant and System Within the
Present or Future Corporate Limits of the City of Cloquet, Minnesota.**

11.7.01 Grant of Franchise. In the interest of promoting the trade and commerce of the City of Cloquet (hereinafter referred to as “Grantor” or “City”), and in consideration of the benefits which will or may accrue to its inhabitants by the maintenance, operation and distribution of gas for heating, illuminating and other purposes in the City of Cloquet, Minnesota, the City Council of the City of Cloquet does hereby grant a non-exclusive franchise to Northern Minnesota Utilities, a division of UtiliCorp United Inc., a Delaware Corporation, (hereinafter referred to as “Grantee”) its lessees, successors and assigns, the right, privilege, franchise, permission and authority to construct, maintain, operate and extend in the present and future streets, alleys, avenues, bridges, public rights-of-way and public places as are now within the present or future limits of said City, a natural gas distribution system for the purpose of supplying natural gas for all purposes to the inhabitants of said City and consumers in the vicinity thereof, and for the distribution of natural gas from or through said City to points beyond the limits thereof.

Grantor further grants Grantee the right, permission and authority to lay, install, maintain and operate over, across and along all of the streets, avenues, alleys, bridges, public rights-of-way and public places of City all mains, services, pipes, conduits and appliances necessary or convenient for transmitting, transporting, distributing and supplying natural gas for all purposes for which it may be used, and to do all other things necessary and proper in providing natural gas service to the inhabitants of Grantor and in carrying on such business.

11.7.02 Terms of Agreement. The rights of and privileges granted by this section shall remain in effect for a period of ten (10) years from September 29, 1999, and for an additional ten (10) years thereafter unless Grantor, through its Clerk, shall notify Grantee in writing at least one hundred and eighty (180) days before the expiration of the initial term, that Grantor, for good cause, desires not to renew the franchise, and such notice shall specify Grantor’s reasons.

11.7.03 Governing Rules and Regulations: This Code is granted subject to all conditions, limitations and immunities now provided for herein or as hereafter amended, and applicable to the operations of a public utility consistent with the laws of the State of Minnesota. The work to be performed shall be done and completed to the satisfaction of the City Engineer for any repair or maintenance of any streets or public property damaged or destroyed during the course of Grantee’s operations. All work to be performed, shall be done under the supervision of the Grantee. Grantee, its successors and assigns, shall be subject to all Codes, rules and regulations now in force and that may hereinafter be enacted by the City Council concerning the opening of streets, avenues, and alleys, regarding excavations and the obstruction of travel and traffic thereon.

The rates to be charged by Grantee for service within the present or future corporate limits of Grantor and the rules and regulations regarding the character, quality and standard of service to be furnished by Grantee shall be under the jurisdiction and control of such regulatory body or bodies as may, from time to time, be vested by law with authority and jurisdiction over the rates regulations and quality and standards of services to be supplied by Grantee. Provided however, should any judicial, regulatory or legislative body, having proper jurisdiction, take any action that precludes Grantee from recovering from its customers any cost associated with services provided hereunder, then Grantee and Grantor shall renegotiate the terms of this Section in accordance with the actions taken, so as to allow Grantee to be made whole economically. In determining the rights and duties of the Grantee, the terms of this franchise code shall take precedence over any conflicting terms or requirements contained in any other ordinance enacted by the Grantor.

It is further agreed that said Grantee, its successors and assigns, in laying or repairing its mains and servicing its pipes, shall not unnecessarily or unreasonably obstruct the use by the public, or injury to any street, avenue or alley or structure and shall within a reasonable time, upon the completion of any construction repair, restore all streets, alleys, avenues or property in said City which shall be opened by it or its agents or employees for the purposes of laying, replacing, or repairing its aforesaid gas mains or service pipes to as nearly the same order and condition as they were before the excavation was made as near as it is reasonably possible for it to do (the final judge to be the City Engineer of the City of Cloquet) and shall maintain, repair, and keep in good condition thereafter for a period of one (1) year all portions of said streets, avenues, and alleys so disturbed by it or its agents. Failure on the part of the Grantee to complete any of its responsibilities hereunder shall authorize the City of Cloquet after giving fifteen (15) days written notice by certified mail to Grantee at its local office, to undertake and complete any necessary repairs to return the property of City to former condition, and shall bill to Grantee for all costs and expenses of completion of said project including engineering services and reasonable attorney's fees incurred by the City as a result of suit, settlement or negotiation of any dispute hereunder. This remedy shall be in addition to any other remedy provided in this agreement or by law.

11.7.04 Indemnification. Grantee, its successors or assigns, hereby covenants and agrees to indemnify and hold harmless the Grantor from all claims, judgments, suits, damages, costs and attorney's fees arising directly out of the negligence of Grantee, by reason of the construction, operation, maintenance and repair of said gas mains and service pipes and the furnishing of gas to the City and its inhabitants including but not limited to claims for alleged defects in any street, alley or highway which are claimed to be caused by the construction, operation, or repair of Grantee's systems; provided, however, that Grantee need not save harmless Grantor from claims, judgments, suits, damages, costs and attorney's fees arising out of the negligence of Grantor, its employees or agents, by reason of the construction, operation, maintenance and repair of said gas mains and service pipes and the furnishing of gas to the City. A certificate of insurance verifying liability coverage up to \$1,000,000 shall be provided to the City and kept current at all times during the term of this franchise agreement.

11.7.05 Maintenance and Supply of Gas. Grantee agrees that for the term of this grant, it will use its best efforts to maintain facilities and equipment sufficient to meet the current and future energy requirements of Grantor, its inhabitants and industries. In emergency situations, Grantee shall take immediate unilateral actions as it determines are necessary to protect the public health, safety and welfare. The Grantee further agrees that it shall at all times provide adequate pressure and adequate supply of clean standard gas of the British Thermal Unit heating value of not less than that prescribed in its rules and regulations relating thereto from time to time with the Minnesota Public Utilities commission or other competent authority having jurisdiction on the premises.

11.7.06 Force Majeure. It shall not be a breach or default under this franchise if either party fails to perform its obligations hereunder due to Force Majeure. Force Majeure shall include, but not be limited to, the following:

1. Physical events such as acts of God, landslides, lightning, earthquakes, fires, freezing, storms, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery, equipment or distribution or transmission lines.
2. Acts of others such as strikes, workforce stoppages, riots, sabotage, insurrections or wars.
3. Governmental actions such as necessity of compliance with any Court Order, law, statute, ordinance, executive order, or regulation promulgated by a governmental authority having jurisdiction; and any other causes whether of the kind therein enumerated or otherwise not reasonably within the control of the affected party to prevent or overcome.

Each party shall make necessary and reasonable efforts to avoid Force Majeure and to resolve such event as promptly and as reasonably as possible once it occurs in order to resume performance; provided, however, that said provision shall not obligate a party to settle any labor strike affecting service.

11.7.07 Extension of Company Facilities. Upon receipt and acceptance of a valid application for service, Grantee shall, subject to its own economic feasibility criteria, make reasonable extensions of its distribution facilities to serve customers located within the current or future corporate limits of Grantor. No obligation shall extend to or be brought upon Grantee to extend its facilities if Grantee is unable to obtain and deliver an adequate energy supply from its distributor.

11.7.08 Successors and Assigns. All rights, privileges and authority hereby granted to Grantee shall inure to the benefit of its successors and assigns, subject to all the terms, provisions and conditions herein contained, and all obligations hereby imposed upon Grantee shall be binding upon its successors and assigns.

11.7.09 Relocation of Company Facilities. If Grantor elects to change the grade of or otherwise alter any street, alley, avenue, bridge, public right-of-way or public place for a public purpose, Grantee, upon reasonable notice from Grantor, shall remove and relocate its facilities or equipment situated in the public rights-of-way, if such removal is necessary to prevent interference and not merely for the convenience of the Grantor, at the cost and expense of Grantee. Grantor shall consider reasonable alternatives in designing its public works projects so as to not arbitrarily cause Grantee unreasonable additional expense in exercising its authority under this section. Grantor shall also provide a reasonable alternative location for Grantee's facilities. If Grantor orders or requests Grantee to relocate its facilities or equipment primarily for non-public purposes or the primary benefit of a commercial or private project, or as a result of the initial request of a commercial or private developer or other non-public entity, and such removal is necessary to prevent interference and not merely for the convenience of the Grantor or other right-of-way user, Grantee, shall receive reimbursement for the cost of such relocation as a precondition to relocating its facilities or equipment.

11.7.10 Confidential Information. Grantor acknowledges that certain information it might request pursuant to exercise of this franchise may be of a proprietary and confidential nature. If Grantee requests that any information provided by Grantee to Grantor be kept confidential due to such proprietary or commercial value, Grantor and its employees, agents and representatives shall maintain the confidentiality of that information. If Grantor is requested or required by legal or administrative process to disclose any such confidential information, Grantor shall promptly notify Grantee of such request or requirement so that Grantee may seek an appropriate protective order or other relief. Grantor shall use all reasonable efforts to ensure that the confidentiality of Grantee's confidential information is maintained.

11.7.11 Default and Notice of Termination. If the Grantee shall be in default in the performance of any of the terms and conditions of this section and shall continue in default for more than thirty (30) days after receiving written notice from the City of Cloquet of such default, the Grantor may, by Code or Ordinance duly passed and adopted, terminate all rights granted under this Code to the Grantee. The said notice of default shall specify the provisions or provisions in the performance of which it is claimed the Grantee is in default. Said notice shall be in writing and served in the manner provided by the Laws of the State of Minnesota for the service of original notices in civil actions.

11.7.12 Non Waiver. Any waiver of any obligation to default under this franchise by either party shall not be construed as a waiver of any future default whether of like or different character.

11.7.13 Notices. Any notices required to be served hereunder shall be sent: If to Grantee: Vice President, Community Services, UtiliCorp United, Inc., 20 W. Ninth St., Kansas City, MO 64105; or If to Grantor: City Administrator, City Hall, 1307 Cloquet Ave., Cloquet, MN 55720.

Section 11.8 Cable Television

See Appendix A - Ordinance No. 223A, 228A, 389A, 451A

Section 11.9

ORDINANCE NO. 430A

An Ordinance Granting To Minnesota Power A Nonexclusive Franchise To Construct, Operate, Repair And Maintain In The City Of Cloquet, Minnesota, An Electric Distribution System And Transmission Lines, Including Necessary Poles, Lines, Fixtures And Appurtenances, For The Furnishing Of Electric Energy To The City, Its Inhabitants, And Others, And To Use The Public Ways And Public Grounds Of The City For Such Purposes; And Prescribing Certain Terms And Conditions Thereof.

SECTION 1. FINDINGS.

1.1 In Ordinance Number 206A and Section 11.9 of the City Code, the City has required each Utility Service Provider to obtain and maintain a franchise with the City and to provide consideration to the general fund of the City for the rights afforded to it in the franchise.

1.2 In the interest of fairness and comparable treatment, the City finds it necessary and desirable to formalize its rules and regulations and to implement the terms of Ordinance Number 430A with respect to the City of Cloquet, and, to the extent feasible and practicable, to all other Utility Service Providers.

1.3 That Section 11.9 of the City Code be hereby replaced in its entirety with Ordinance No. 430A.

SECTION 2. DEFINITIONS. For purposes of this Ordinance, the following capitalized terms listed in alphabetical order shall have the following meanings:

City. The City of Cloquet, County of Carlton, State of Minnesota and the corporate limits thereof on the Effective Date and as they may be adjusted from time to time hereafter.

City Utility System. Facilities used for providing public utility service owned or operated by the City or agency thereof, including sewer, storm sewer, water service, street lighting and traffic signals.

Commission. The Minnesota Public Utilities Commission, or any successor agency or agencies, including an agency of the federal government, which preempts all or part of the authority to regulate electric retail rates now vested in the Minnesota Public Utilities Commission.

Company. Minnesota Power, an operating division of ALLETE, Inc., its successors and assigns including all successors or assignees that own or operate any part or parts of the Electric Facilities subject to this Franchise.

Company Service Area. Those areas within the City to which the Company has been assigned the right to provide electric service, as in effect on the Effective Date or as may be hereafter revised.

Council. The City Council of the City of Cloquet as from time to time constituted.

Effective Date. The effective date of this Ordinance.

Electric Facilities. Electric transmission and distribution substations, towers, poles, lines, guys, anchors, conduits, fixtures, and necessary appurtenances owned or operated by the Company for the purpose of providing electric energy for public or private use.

Extension Rules. The rules adopted from time to time by the Company governing its extension of Electrical Facilities.

Franchise. The grant of rights made by the City to the Company in this Ordinance, subject to its terms and conditions.

Notice. A writing served by any party or parties on any other party or parties at the following addresses:

If to the City: City of Cloquet
1307 Cloquet Avenue
Cloquet, MN 55720
Attn: City Administrator

If to the Company: Minnesota Power
30 West Superior Street
Duluth, MN 55802
Attn: Vice President of Marketing

Any party may change its respective address for the purpose of this Ordinance by written notice to the other parties.

Person. A natural person or any partnership, joint venture, corporation, cooperative, limited liability company or any public corporation, political subdivision or agency of the State or any other legal entity that may be created by law.

Public Ground. All real property owned by or dedicated to the City with respect to which the City holds the legal right or title to grant or withhold easement, leasehold or occupancy rights or servitudes.

Public Way. Any street, alley and other public rights-of-way within the City.

Utility. Transmitting, furnishing, transporting, distributing, delivering, selling, receiving, importing, manufacturing, or causing to be produced, transmitted, furnished, transported, delivered, sold, received, imported, or manufactured, electric energy, natural gas, mixed gas, heat, light, power, and services provided through a cable communication system.

Utility Service Provider. Any Person who performs any one or more of the activities of a Utility to or for the public or to or for any one or more persons within the corporate limits of the City and may, as contemplated herein, be the ultimate user or consumer of the Utility service provided.

SECTION 3. THE FRANCHISE.

3.1. **Grant of Franchise.** The City hereby grants the Company, for a period of twenty (20) years from the date this Ordinance is passed and approved by the City, the right to transmit and furnish electric energy for any public or private use within and through the Company Service Area. For these purposes, the Company may construct, operate, repair and maintain Electric Facilities in, on, over, under and across the Public Ways and Public Grounds within the Company Service Area, subject to the provisions of this Ordinance. The Company may do all reasonable things necessary or customary to accomplish these purposes, subject however, to all applicable design and safety codes, the provisions of this Ordinance, zoning ordinances, other applicable ordinances, permit procedures and the customary and necessary practices of the City.

3.2. **Not Exclusive.** This Franchise is not exclusive.

3.3. **Effective Date.** This Franchise shall be in force and effect from and after the passage of this Ordinance and publication as required by law and upon the Company's duly authorized acceptance below as executed within thirty (30) days after passage and publication of this Ordinance or any amendment thereto.

3.4. **Continuation of Franchise.** If the City and Company are unable to agree on the terms of a new Franchise by the time this Franchise expires, this Franchise will remain in effect until a new Franchise is agreed upon, or until ninety (90) days after the City or the Company serves written notice to the other party of its intention to allow the Franchise to expire. However, in no event shall this Franchise continue for more than one (1) year after the expiration of the twenty (20) year term set forth in Section 3.1.

SECTION 4. LOCATIONS; CONSTRUCTION; OTHER REGULATIONS.

4.1. **General.** Electric Facilities shall be located, constructed and maintained by the Company: (i) in as safe and secure a condition or manner as reasonably possible, (ii) so as not to interfere with the safety and convenience of ordinary travel along and over Public Ways, and (iii) so as not to disrupt or interfere with the normal use or operation of any Public Ways, Public Ground or the City Utility System. Electric Facilities may only be located on Public Ground as determined by the City in its sole discretion. The Company's construction, reconstruction, operation, repair, maintenance, location and relocation of Electric Facilities shall be subject to permits if required by separate ordinance and to other reasonable regulations of the City to the extent not inconsistent with the terms of this Ordinance and such other regulations of the City consistent with authority granted the City to manage its Public Ways and Public Grounds under state law, to the extent not inconsistent with a specific term of this Ordinance.

4.2. **Construction; Maintenance; Repairs.** Whenever the Company desires to open or disturb any Public Way or Public Ground for the purpose of constructing, maintaining, or repairing Electric Facilities, it shall give the City reasonable advance Notice, but not less than ten (10) business days, by filing a written Notice with the City Administrator and City Engineer. In any case, the Company shall not commence such work before obtaining any applicable permit for which the City may impose a reasonable fee, or other appropriate written consent from the City. The Company shall not, during the progress of the work, endanger or unnecessarily obstruct the passage of traffic or the normal and customary use of the Public Ways and Public Ground. During the progress of such work, the Company shall keep the affected Public Ways or Public Ground guarded in order to avoid accidents to persons or property. All work performed by the Company shall comply with all applicable federal, state, and local laws, rules, and regulations.

4.3. **Emergencies.** The requirements for obtaining permits from the City pursuant to Section 5.2 shall not apply if (i) an emergency exists requiring the immediate repair of Electric Facilities and (ii) the Company gives telephone notice to the City before, if reasonably possible, commencement of the emergency repair. Within two (2) business days after commencing the repair, the Company shall apply for any required permits and pay any required fees.

4.4. **Restoration.** Following the completion of any work, the Company shall promptly and diligently restore the affected Public Ways and/or Public Ground to as good a condition as before the work commenced. If the Company fails to promptly restore such Public Ways and/or Public Ground within ten (10) days of Notice by the City, the City may engage an independent contractor at the expense of the Company to perform the restoration of the Public Ways and/or Public Ground as required under this Section. The Company shall pay to the City upon demand the cost to the City of affecting such restoration including the City's administrative expenses and overhead.

4.5. **Avoidance of Damage.** The Company must take reasonable measures to prevent the Electric Facilities from causing damage to persons or property. The Company must take reasonable measures to protect the Electric Facilities from damage that could be inflicted on the Electric Facilities by persons, property, or the elements. The Company must take protective measures when the City performs work near the Electric Facilities, if given reasonable Notice by the City of such work prior to its commencement.

4.6. **Field Locations.** The Company shall provide field locations for all its underground Electric Facilities when requested by the City within a reasonable period of time. The period of time will be deemed reasonable if it meets the requirements of the one call excavation notice system as now provided in Minnesota Statutes, chapter 216D (commonly known as of the Effective Date as the "Gopher State One Call" system).

4.7. **Shared Use of Poles; Street Lights.** If the City desires to place facilities on the Company's poles, the City shall enter into a License Agreement for Pole Attachment Rental with the Company containing terms and conditions substantially similar to those contained in other such Agreements that the Company has with other governmental entities.

4.8. **Vegetation Control.** Subject to such procedures, regulation and supervision as the Council may establish, the Company may, at its cost, trim all trees and shrubs in the Public Ways located within the Company Service Area to the extent the Company finds it necessary to avoid interference with the proper construction, operation, repair and maintenance of any of the Company's Electric Facilities installed or maintained hereunder provided that Company shall hold the City harmless from any liability arising therefrom, and subject to permit or other reasonable regulation by the City.

4.9. **Notice of City Improvements.** The City will give the Company reasonable advance Notice of plans for improvements to Public Ways and Public Ground in the Company Service Area where the City has reason to believe that the Company's Electric Facilities may affect or be affected by such improvements. The Notice will contain: (i) the nature and character of the improvements, (ii) the Public Ways and/or Public Ground upon which the improvements are to be made, (iii) the extent of the improvements, (iv) the time when the City will start the work, and (v) if more than one Public Way or parcel of Public Ground is involved, the order in which the work is to proceed.

4.10 **Acquisition.** The City shall have the right to purchase or otherwise acquire the Company's Electric Facilities or the Company Service Area, or portion(s) thereof, at any time by way of eminent domain under Minnesota Statutes, Chapter 117 or under Minnesota Statutes, Chapter 216B, in either case, as such statutes or amendments to such are in effect on the date the City commences such purchase or acquisition. In that event, the pleading commencing the acquisition proceeding by the City shall be noticed to the Company for it to make any adjustments to its long-range planning for facilities and service for the area affected by the proceeding. Any damages to the Company as a result of such proceeding shall be determined as of the commencement of such proceeding. The Company shall continue to operate the Electric Facilities at the City's sufferance only until such acquisition is completed. The expiration or termination of this Franchise as hereinbefore provided shall not, by itself, be an independent basis of any claim by the Company against the City.

SECTION 5. ELECTRIC FACILITIES RELOCATION.

5.1. **Relocation.** In the event the City reasonably determines that it is necessary for the Company to move any part of its Electric Facilities because the City has determined to change, move or improve its Public Ways or that the Electric Facilities have become or will become a substantial impairment to the existing or imminent public use of Public Ground, upon reasonable Notice by the City to the Company, then the Company will move its Electric Facilities at its sole cost. The City shall consider reasonable alternatives in designing its public works projects so as not to arbitrarily cause the Company unreasonable additional expense in exercising its authority under this Section 5.1. This Section 5.1 shall not constitute a taking by the City nor be construed as a waiver or modification of any easement or prescriptive rights acquired by the Company independent of and without reliance by the Company on this Franchise.

5.2. **No Release of Liability.** Nothing contained herein shall relieve any third party from liability arising out of their failure to exercise reasonable care to avoid injuring the Company's Electric Facilities while performing any work connected with grading, regarding or changing the line of any Public Way or with any construction on or adjacent to any Public Way; provided, however, this Section 5.2 shall not limit the City's rights to indemnification under Section 6.1 nor shall the City in any way be liable to the Company for claims arising from the negligence of any third party.

SECTION 6. INDEMNIFICATION.

6.1. **Indemnification.** If at any time any claim of any kind is made against the City for injury to persons or property arising from the acts or failure to act by the Company, its agents, servants, or employees in connection with the operations of the Company under and pursuant to this Franchise, the Company shall fully indemnify, defend and hold harmless the City, its agents, servants or employees from any and all such claims, including, but not limited to, reimbursement of any reasonable attorneys fees and costs and expenses the City may incur in handling, denying, or defending such claims. The Company's obligation to indemnify the City shall not extend to any injury to persons or property caused by the negligent act or failure to act by the City or any actions taken by the Company pursuant to directions of the City if performed within the scope of the City's directions without negligence by the Company. The City shall determine who will defend any such claims arising under this Section 6.1 and the Company will thereafter have complete control of such litigation; provided, however, the Company may not settle any such claims without the prior approval of the City, which approval will not be unreasonably withheld. This Section is not, as to third parties, a waiver of any defense or immunity otherwise available to the City; and the Company, in defending any action shall be entitled to assert every defense or immunity that the City could itself assert in its own behalf. The Company's obligations under this Section shall survive the expiration, amendment, or termination of this Ordinance.

6.2. **Insurance.** Before the Effective Date, the Company shall furnish the City a summary of insurance, if any, carried by the Company, or of its self-insured status, in either case demonstrating adequate protection to the City from any and all obligations, liabilities, or claims of any nature whatsoever, growing out of the operation, construction, and maintenance of its Electric Facilities within the City. The Company shall maintain such insurance coverage at all times during this Franchise.

6.3. **Compliance with Laws; Hazardous Substances.** In its operation under this Ordinance, the Company shall observe all federal, state and local laws, rules, regulations and orders with respect to the transmission, distribution, transformation or furnishing of electric energy and the handling of materials, substances and wastes deemed toxic or hazardous to health, natural resources or the environment (collectively, "Hazardous Substances"). The Company shall remove or remediate any Hazardous Substances located on, in or surrounding its Electric Facilities or caused to be located on, in or surrounding the Public Ways and Public Grounds or elsewhere in the City in compliance with all applicable laws, regulations and lawful government orders, and pay or cause to be paid all costs associated therewith. The indemnification terms and conditions of Section 6.1 shall apply to all claims made against the City by any Person, including any governmental agency, who or which asserts any right to costs, damages or other relief based upon the terms and conditions imposed upon the Company under this Section 6.3 or which arise from or are related to the Company's acts or failure to act in compliance with any law, rule, regulation or lawful order governing Hazardous Substances.

SECTION 7. VACATION OF PUBLIC WAYS. The City will consult with the Company at least four (4) weeks prior to its action on any proposed vacation of a Public Way. Except where ordered pursuant to Section 5.1, the vacation of any Public Way after the installation of Electric Facilities shall not operate to deprive the Company of its rights to operate and maintain such Electric Facilities until the reasonable cost of relocating the same and the loss and expense resulting from such relocation are first paid to the Company. However, in no case shall the City be liable to the Company for failure to specifically preserve a Public Way in the exercise of its authority under Minnesota Statutes, Section 160.29.

SECTION 8. ABANDONED FACILITIES. The Company shall comply with City ordinances and Minnesota Statutes, Section 216D.01 et seq., as they may be amended from time to time. The Company shall maintain records describing the exact location of all abandoned and retired Facilities within the City, produce such records at the City's request and comply with the location requirements of Section 216D.04 with respect to all Electric Facilities, including abandoned and retired Electric Facilities.

SECTION 9. RATES AND SERVICE. The electric service provided and the rates charged by the Company for electric service, as of the Effective Date, are subject to the jurisdiction of the Commission as provided in Minnesota Statutes, chapter 216B. In the event the Company shall determine after the Effective Date to change its rates or terms and conditions of electric service, the Company shall provide reasonable advance Notice of such proposed action to the City.

SECTION 10. FRANCHISE FEE.

10.1. **Authority.** The City reserves all rights under Minnesota Statutes, Sections 216B.36 and 301B.01 or other law to require a franchise fee at any time during the term of, and in consideration for, this Franchise. The franchise fee may be expressed (i) as a specified charge per measurable unit of electricity being provided, transported, transmitted, sold, furnished, delivered, or received within the City, or (ii) as a percentage of the Gross Revenues received by the Company for its operations within the City, or (iii) a flat fee per customer based on service to retail customers within the City or on some other similar basis, or (iv) in such other manner or fashion as the City may determine. The method of imposing the franchise fee may differ by customer class, by type of Utility, by particular circumstances of a Utility Service Provider, or by other relevant factor, and may combine the methods described in (i) through (iv) above.

10.2. **Payment of Fee.** The franchise fee shall be payable not less often than quarterly and shall be based on the complete billing month for which payment is due. The payment shall be due forty-five (45) days after the end of the month for which the payment is due. Each payment shall be accompanied by a brief report showing the basis for the computation of the payment and such other relevant facts to support the computation as may be requested by the City from time to time. The Company may, in its sole discretion, impose a surcharge equivalent to the franchise fee in its rates for electric service. The Company shall pay the City the franchise fee based upon the prevailing rate and as billed to the customer, but subject to subsequent adjustment in either of the following events: (i) if any amount so billed subsequently becomes uncollectible after reasonable efforts of collection by the Company or (ii) if the Company shall, after any said billings, retroactively reduce its rates or costs to its retail electric customers so that a refund is due from the Company of an amount previously paid or incurred by the retail electric customers.

10.3. **No Waiver or Release.** No acceptance of any payment shall be construed as an accord that the payment made is in fact the correct amount, nor shall such acceptance of the payment be construed as a release of any claim that the City may have for further sums payable under the provisions of this Ordinance. All amounts paid shall be subject to audit and re-computation by the City. The Company agrees to make all records necessary to audit the Company's calculation of any payment available for inspection by the City or its designated representative at reasonable times.

10.4. **Separate Ordinance.** Notwithstanding anything to the contrary, the franchise fee may be changed by the City from time to time by separate ordinance; provided, however, such changes shall not occur more often than once in any calendar year and shall be effective upon the earlier of (1) approval by the Commission authorizing the Company to incorporate such fee within its rate schedule, or (2) sixty (60) days after the Company has provided timely notice to the Commission of the ordinance adopting the change. Notice of the proposed change shall be given to the Company not later than the effective date of the ordinance adopting the change.

SECTION 11. DEFAULTS. If the Company shall be in default in the performance of any of the material terms and conditions of this Ordinance, and shall continue in default for more than thirty (30) days (or fails to initiate the cure of the default within said period and diligently pursue said cure, if the cure of the default cannot reasonably be accomplished within said 30 days) after receiving Notice from the City of such default, the City may elect to cure such default and charge the Company for the costs thereof.

SECTION 12. AMENDMENT PROCEDURE. The City reserves the right to amend this Franchise by ordinance. The Company's rights hereunder are subject to the police power of the City to adopt and enforce ordinances necessary to the health, safety, and welfare of the public, and this Franchise may be amended by the City as deemed necessary or appropriate in the exercise of such power.

SECTION 13. GENERAL PROVISIONS OF ORDINANCE.

13.1. **Governing Law.** This Franchise is granted and is intended to be performed in the State of Minnesota and shall be construed and enforced in accordance with the laws of the State of Minnesota. The Company shall be subject to personal jurisdiction in the State of Minnesota. All actions related to this Ordinance or its enforcement shall be venued in the District Court of the State of Minnesota within which venue the City is located.

13.2. **Right to Repeal.** If this Franchise, having become final and operative as herein provided, shall be declared in any part illegal or void, then the City, in its sole discretion, may repeal the entire or any portion of this Ordinance. If any material portion of this Ordinance is declared void or illegal, then this Ordinance shall be void in its entirety.

13.3. **Limitation on Applicability.** This Ordinance constitutes a franchise between the City and the Company as the only parties and no provision of this Franchise shall in any way inure to the benefit of any third person (including the public at large) so as to constitute any such person as a third party beneficiary of the agreement or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

13.4. **Assignment.** The Company may assign this Franchise without the prior approval of, but upon not less than thirty (30) days' prior Notice to, the City. Such Notice shall include the identity of and contact information for, the assignee and the statement of the assignee's plans and intentions for the operation of the Electric Facilities under this Franchise.

SECTION 14. ACCEPTANCE BY THE COMPANY.

14.1. **Acceptance by the Company.** The Company shall, within thirty (30) days after passage and publication of this Ordinance or any amendment thereto, file with the City Administrator in writing its acceptance or rejection as provided in Section 15.2. If such acceptance is not filed or if a rejection is filed within said period, the Company, by its continuing operations, shall be deemed to have accepted the terms and conditions of this Franchise or any amendment hereto, except with respect to such particulars as it may successfully challenge under the procedures specified in Section 14.2.

14.2. **Rejection Procedures.** A rejection of this Franchise or any amendment hereto may be made by the Company only upon the grounds that the terms and conditions hereof or of such amendment exceed the lawful authority of the City under the Constitutions or Laws of the United States or the State of Minnesota or are otherwise unlawful. Any rejection shall be submitted in writing to the City, stating with particularity the points and authorities of law upon which the Company relies. If the City fails to amend this Franchise or otherwise satisfy the Company's objections as stated within thirty (30) days of its receipt of the Company's rejection, the Company shall have the right thereafter to seek appropriate judicial or administrative relief based solely upon those provisions it has alleged are unlawful in its rejection notice. If the Company fails to initiate such legal action within thirty (30) days from the expiration of the aforementioned thirty (30) day period provided for the City's amendment or cure, the Company shall be deemed to have waived its objections and to have accepted the terms of this Franchise or any amendment hereto.

SECTION 15. REPEAL OF CONFLICTING ORDINANCES. All ordinances or parts of ordinances in conflict herewith are repealed.

SECTION 16. EFFECTIVE DATE. This ordinance shall take effect and be in force from and after its passage and publication in accordance with law.

Passed this 5th day of November, 2013.

ATTEST:

City Administrator


Mayor

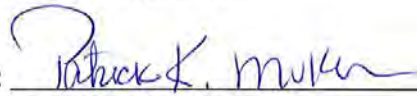
Published this 14th day of November, 2013.

The provisions of the foregoing Ordinance are hereby accepted:

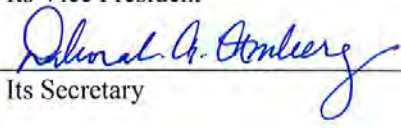
DATED November 20, 2013.

MINNESOTA POWER

By: _____


Its Vice President

By: _____


Its Secretary

Section 11.10 Stormwater Utility Charges

11.10.01. Stormwater Utility and Authority. There is hereby established a public utility to be known as the Stormwater Utility for the City of Cloquet. The Stormwater Utility shall be operated as a public utility pursuant to City Code and Minnesota Statutes, Section 444.075.

11.10.02. Purpose. The purpose of this ordinance is to provide a funding mechanism for the following services:

- A. The administration, planning, analysis, installation, operation, maintenance and replacement of public drainage systems.
- B. The administration, planning, implementation, construction, and maintenance of stormwater Best Management Practices (BMPs) to reduce the introduction of sediment and other pollutants into local water resources.
- C. Other education, engineering, inspection, monitoring, testing and enforcement activities as necessary to maintain compliance with local, state and federal stormwater requirements.
- D. Activities necessary to maintain compliance with the National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer Systems (MS4) Permit requirements established by the Minnesota Pollution Control Agency, including preparation, implementation and management of a Stormwater Pollution Prevention Plan (SWPPP) to address the following control measures:
 - (1) Public education and outreach on storm water impacts.
 - (2) Public involvement/participation.
 - (3) Illicit discharge detection and elimination.
 - (4) Construction site stormwater runoff control.
 - (5) Post-construction runoff control in new development and redevelopment.
 - (6) Pollution prevention for municipal operations.

11.10.03. Definitions

Subd. 1. Residential Equivalency Factor, referred to herein as “REF”, is defined as the average impervious area of residential property per dwelling unit located within the city. A typical 0.33 acre single-family residential parcel with 30% impervious shall represent the basic unit of the stormwater utility’s charge structure.

Subd. 2. REF Rate is defined as a utility fee applied to each REF or 4,312 square feet of impervious surface as established by resolution of the Cloquet City Council as provided herein.

Subd. 3. Single-Family Residential is defined as the land use classification of parcels with one (1) living unit.

Subd. 4. Duplex Residential is defined as the land use classification of parcels with two (2) or three (3) living units.

Subd. 5. Nonresidential Property is defined as any developed property that is not classified as single-family or duplex residential by the definitions given above. Property that has a mixture of residential and nonresidential uses shall be considered nonresidential.

Subd. 6. Impervious Area is defined as areas on a property that prevent or impede the infiltration of stormwater into the soil at the same rate as natural or pre-developed conditions. Common impervious areas may include, but are not limited to, rooftops, sidewalks, walkways, patio areas, driveways, parking lots, storage areas, compacted gravel or soil surfaces, and any other surface that prevents or impedes the natural infiltration of stormwater runoff.

Subd. 7. Developed Land is defined as property altered from a natural state by construction or installation of more than five hundred square feet of impervious surfaces as defined in this Section.

Subd. 8. Stormwater Drainage System or System is defined as the existing constructed and natural stormwater drainage facilities and channels of the City and all improvements thereto which are the property and responsibility of the Utility, to be operated by the Utility to, among other things, conserve water, control discharges necessitated by rainfall events, incorporate methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, over-drainage, environmental degradation and water pollution or otherwise affect the quality and quantity of discharge from such system.

11.10.04. Rates and Charges

Subd. 1. Minimum or Maximum Fees. The City Council may establish minimum or maximum monthly fees per property.

Subd. 2. Estimated Charges. If, for any reason, precise information related to the use, development or impervious area of a premise is not available; then Stormwater Utility Charges for such premise shall be estimated, and billed, based upon information then available to the City.

Subd. 3. Standardized Charges. The following rules shall apply for the purpose of simplifying and equalizing charges:

- A. A typical surface area of 0.33 acres containing 30% impervious (i.e. 4,312 sq. ft. of impervious surface) shall be used as the single-family residential equivalency factor.
- B. Any duplex or triplex which is situated on a single parcel shall be billed at 1.5 REFs.
- C. Parcels subject to these standardized charges shall not be eligible for adjustments (credits) to charges or adjustments to impervious area as set forth elsewhere herein.

Subd. 4. Exceptions. The following land uses are exempt from the Stormwater Utility Fees established herein:

- A. Public Street right-of-way.
- B. Wetlands and public waters as defined by state law.
- C. Undeveloped properties.
- D. Airport runways and taxiways.
- E. Tribal owned land within the Fond du Lac Reservation.

Subd. 5. Establishing Rates. Each developed property shall pay a rate **per REF**. The REF Rate so established shall be on file with the City Administrator/Clerk and shall be used to compute the stormwater charges for a given property based on the following formulas for each land use designation.

11.10.05. Stormwater Fee Adjustments. Stormwater Utility fees may be adjusted under the conditions stated below. It shall be the responsibility of the property owner to provide justification for the fee adjustment.

Subd. 1. Appeals Process. Any person liable for the payment of stormwater utility fees on a property may, appeal to the City Engineer for a utility fee adjustment if the person believes the utility fee to be incorrect. The request for adjustment shall be made in writing and shall state, in detail, the grounds upon which relief is sought. The Engineer may require the applicant to submit, at applicant's expense, supplemental information including, but not limited to, survey data certified by a registered land surveyor and engineering reports certified by a registered professional engineer. The director may grant an adjustment if it is found that:

- A. A substantial error was made in the calculation of the impervious area on a nonresidential property.
- B. The land use designation used to calculate the stormwater fee is inaccurate

Acceptance and denials of appeals for adjustment shall be made in writing by the Engineer. No adjustment shall be made retroactively, except for initial appeals filed within one year of the effective date of this ordinance.

Any person denied an adjustment by the Engineer may appeal the denial to the City Council by filing written notice of appeal with the city clerk within 30 days of receipt of the Director's decision. The City Council shall hear the appeal and affirm, modify or reverse the decision of the Director, applying the standards for granting adjustments set forth in this Section.

Subd. 2. Credits. In determining charges, the City Council may adopt a Stormwater Utility Credit Policy in order to provide an incentive for property owners to manage stormwater quantity and quality. All applications for credits shall be submitted to the Director of Public Works and are subject to the following provisions:

- A. Residential properties subject to standardized charges shall not be eligible for credits.
- B. Maximum Credits are cumulative and cannot exceed 90 percent.
- C. It the responsibility of the property owner to provide all documentation, maintenance and inspection records as required the Public Works Director in order to prove the benefit of any Best Management Practice (BMP).

11.10.06. Collections and Penalties

Subd. 1. Billing Schedule. The City shall render invoices for stormwater fees monthly, quarterly or semi-annually as the City Council shall determine suitable and necessary. Charges shall be payable to the City and may be rendered in conjunction with other utility billings.

Subd. 2. Accounts in Name of Owner and/or Occupant. All accounts shall be carried in the name of the owner of the premises connected to the water and sewer services, and/or the occupant of the premises, if the owner is not directly paying for the services. Where the term "user" appears in this Code in reference to the payment for stormwater fees, the term shall include the owner and the occupant of the premises.

Subd. 3. Required Information. The owner, occupant or person in charge of any premises shall furnish the City with such information as may reasonably be required relating to services provided by the City system. Willful failure to provide the information, willful falsification of the information, or willful failure to comply with any requirement or order issued pursuant to this Section shall constitute a violation of this Section.

Subd. 4. Minimum Fee. The minimum stormwater utility fee that shall be billed by the City for all developed properties within the City of Cloquet shall be one Residential Equivalency Factor.

Subd. 5. Penalty for Late Payment. All charges for stormwater fees and miscellaneous service shall be due on the date specified by the City for the respective account. Penalty for past due bills shall be 5% of the total bill, except, no penalty shall be charged on past due sales tax.

Subd. 6. Delinquent Accounts. All charges for stormwater utility fees shall be due on the date specified by the City for the respective amount and shall be delinquent twenty (20) days thereafter. The City shall endeavor to collect delinquent accounts promptly. When satisfactory arrangements for payment have not been made, delinquent accounts shall be certified to the City Administrator who shall prepare an assessment roll each year providing for assessment of the delinquent amounts against the respective properties served. The assessment roll shall be delivered to the Council for adoption on or before November 30th of each year for certification to the County Auditor for collection along with taxes. Such action shall be optional and may be subsequent to taking legal action to collect delinquent accounts. If the delinquent customer shall be a tenant who has vacated the property or an owner who no longer has an ownership interest because of mortgage foreclosure, cancellation of contract for deed or for any other reason, collection of the delinquent account shall, at the option of the City Administrator, be either through a collection agency or legal proceedings in accordance with the City's Collection Policy.

Subd. 7. Liability for Payment of Services. The owner of developed property, and the occupant thereof, shall be jointly and severally liable to pay for the service to the premises and the service shall be furnished to the premises by the City only upon the condition that the owner and occupant of the premises shall be jointly and severally liable to the City for the charges. The owner of rental property agrees, as a condition of receiving service, to be personally liable for stormwater utility fees charged to the tenants, lessees, or other occupants. A claim for unpaid charges which have been billed to the occupant of the premises or the user of the service may be recovered against the owner or occupant in a civil action in any court of competent jurisdiction or in the discretion of the City Administrator may be certified to the County Auditor to be collected with taxes against the premises so served or reported to a collection agency. Money paid to the County Auditor on the account shall belong to the City and shall be remitted to the City Administrator by the County Auditor in the manner provided by law for the payment of other money belonging to the City.

Subd. 8. Disposition of Revenues. All revenues derived from charges imposed under this Section shall be respectively credited to the City Stormwater Enterprise Fund, unless otherwise designated by City Council resolution.

Section 11.11

ORDINANCE NO. 461A

An Ordinance Granting To Lake Country Power A Nonexclusive Franchise To Construct, Operate, Repair And Maintain In The City Of Cloquet, Minnesota, An Electric Distribution System And Transmission Lines, Including Necessary Poles, Lines, Fixtures And Appurtenances, For The Furnishing Of Electric Energy To The City, Its Inhabitants, And Others, And To Use The Public Ways And Public Grounds Of The City For Such Purposes; And Prescribing Certain Terms And Conditions Thereof.

SECTION 1. FINDINGS.

1.1 In Ordinance Number 206A and Section 11.9 of the City Code, the City has required each Utility Service Provider to obtain and maintain a franchise with the City and to provide consideration to the general fund of the City for the rights afforded to it in the franchise.

1.2 In the interest of fairness and comparable treatment, the City finds it necessary and desirable to formalize its rules and regulations and to implement the terms of Ordinance Number 430A with respect to the City of Cloquet, and, to the extent feasible and practicable, to all other Utility Service Providers.

SECTION 2. DEFINITIONS. For purposes of this Ordinance, the following capitalized terms listed in alphabetical order shall have the following meanings:

City. The City of Cloquet, County of Carlton, State of Minnesota and the corporate limits thereof on the Effective Date and as they may be adjusted from time to time hereafter.

City Utility System. Facilities used for providing public utility service owned or operated by the City or agency thereof, including sewer, storm sewer, water service, street lighting and traffic signals.

Commission. The Minnesota Public Utilities Commission, or any successor agency or agencies, including an agency of the federal government, which preempts all or part of the authority to regulate electric retail rates now vested in the Minnesota Public Utilities Commission.

Company. Lake Country Power, a Minnesota Corporation, its successors and assigns including all successors or assignees that own or operate any part or parts of the Electric Facilities subject to this Franchise.

Company Service Area. Those areas within the City to which the Company has been assigned the right to provide electric service, as in effect on the Effective Date or as may be hereafter revised.

Council. The City Council of the City of Cloquet as from time to time constituted.

Effective Date. The effective date of this Ordinance.

Electric Facilities. Electric transmission and distribution substations, towers, poles, lines, guys, anchors, conduits, fixtures, and necessary appurtenances owned or operated by the Company for the purpose of providing electric energy for public or private use.

Extension Rules. The rules adopted from time to time by the Company governing its extension of Electrical Facilities.

Franchise. The grant of rights made by the City to the Company in this Ordinance, subject to its terms and conditions.

Notice. A writing served by any party or parties on any other party or parties at the following addresses:

If to the City:
City of Cloquet
1307 Cloquet Avenue
Cloquet, MN 55720
Attn: City Administrator

If to the Company:
Lake Country Power
2810 Elida Drive
Grand Rapids, MN 55744
Attn: General Manager

Any party may change its respective address for the purpose of this Ordinance by written notice to the other parties.

Person. A natural person or any partnership, joint venture, corporation, cooperative, limited liability company or any public corporation, political subdivision or agency of the State or any other legal entity that may be created by law.

Public Ground. All real property owned by or dedicated to the City with respect to which the City holds the legal right or title to grant or withhold easement, leasehold or occupancy rights or servitudes.

Public Way. Any street, alley and other public rights-of-way within the City.

Utility. Transmitting, furnishing, transporting, distributing, delivering, selling, receiving, importing, manufacturing, or causing to be produced, transmitted, furnished, transported, delivered, sold, received, imported, or manufactured, electric energy, natural gas, mixed gas, heat, light, power, and services provided through a cable communication system.

Utility Service Provider. Any Person who performs any one or more of the activities of a Utility to or for the public or to or for any one or more persons within the corporate limits of the City and may, as contemplated herein, be the ultimate user or consumer of the Utility service provided.

SECTION 3. THE FRANCHISE.

3.1. **Grant of Franchise.** The City hereby grants the Company, for a period of twenty (20) years from the date this Ordinance is passed and approved by the City, the right to transmit and furnish electric energy for any public or private use within and through the Company Service Area. For these purposes, the Company may construct, operate, repair and maintain Electric Facilities in, on, over, under and across the Public Ways and Public Grounds within the Company Service Area, subject to the provisions of this Ordinance. The Company may do all reasonable things necessary or customary to accomplish these purposes, subject however, to all applicable design and safety codes, the provisions of this Ordinance, zoning ordinances, other applicable ordinances, permit procedures and the customary and necessary practices of the City.

3.2. **Not Exclusive.** This Franchise is not exclusive.

3.3. **Effective Date.** This Franchise shall be in force and effect from and after the passage of this Ordinance and publication as required by law and upon the Company's duly authorized acceptance below as executed within thirty (30) days after passage and publication of this Ordinance or any amendment thereto.

3.4. **Continuation of Franchise.** If the City and Company are unable to agree on the terms of a new Franchise by the time this Franchise expires, this Franchise will remain in effect until a new Franchise is agreed upon, or until ninety (90) days after the City or the Company serves written notice to the other party of its intention to allow the Franchise to expire subject to the parties agreement on new terms and conditions.

SECTION 4. LOCATIONS; CONSTRUCTION; OTHER REGULATIONS.

4.1. **General.** Electric Facilities shall be located, constructed and maintained by the Company: (i) in as safe and secure a condition or manner as reasonably possible, (ii) so as not to interfere with the safety and convenience of ordinary travel along and over Public Ways, and (iii) so as not to disrupt or interfere with the normal use or operation of any Public Ways, Public Ground or the City Utility System. Electric Facilities to be located on Public Ground must be approved as determined by the City in its sole discretion. The Company's construction, reconstruction, operation, repair, maintenance, location and relocation of Electric Facilities shall be subject to permits if required by separate ordinance and to other reasonable regulations of the City to the extent not inconsistent with the terms of this Ordinance and such other regulations of the City consistent with authority granted the City to manage its Public Ways and Public Grounds under state law, to the extent not inconsistent with a specific term of this Ordinance.

4.2. **Construction; Maintenance; Repairs.** Whenever the Company desires to open or disturb any Public Way or Public Ground for the purpose of constructing, maintaining, or repairing Electric Facilities, it shall give the City reasonable advance Notice, but not less than ten (10) business days, by filing a written Notice with the City Administrator and City Engineer. In any case, the Company shall not commence such work before obtaining any applicable permit for which the City may impose a reasonable fee, or other appropriate written consent from the City. The Company shall not, during the progress of the work, endanger or unnecessarily obstruct the passage of traffic or the normal and customary use of the Public Ways and Public Ground. During the progress of such work, the Company shall keep the affected Public Ways or Public Ground guarded in order to avoid accidents to persons or property. All work performed by the Company shall comply with all applicable federal, state, and local laws, rules, and regulations.

4.3. **Emergencies.** The requirements for obtaining permits from the City pursuant to Section 5.2 shall not apply if (i) an emergency exists requiring the immediate repair of Electric Facilities and (ii) the Company gives telephone notice to the City before, if reasonably possible, commencement of the emergency repair. Within two (2) business days after commencing the repair, the Company shall apply for any required permits and pay any required fees.

4.4. **Restoration.** Following the completion of any work, the Company shall promptly and diligently restore the affected Public Ways and/or Public Ground to as good a condition as before the work commenced. If the Company fails to promptly restore such Public Ways and/or Public Ground within ten (10) days of Notice by the City, the City may engage an independent contractor at the expense of the Company to perform the restoration of the Public Ways and/or Public Ground as required under this Section. The Company shall pay to the City upon demand the cost to the City of affecting such restoration including the City's administrative expenses and overhead.

4.5. **Avoidance of Damage.** The Company must take reasonable measures to prevent the Electric Facilities from causing damage to persons or property. The Company must take reasonable measures to protect the Electric Facilities from damage that could be inflicted on the Electric Facilities by persons, property, or the elements. The Company must take protective measures when the City performs work near the Electric Facilities, if given reasonable Notice by the City of such work prior to its commencement.

4.6. **Field Locations.** The Company shall provide field locations for all its underground Electric Facilities when requested by the City within a reasonable period of time. The period of time will be deemed reasonable if it meets the requirements of the one call excavation notice system as now provided in Minnesota Statutes, chapter 216D (commonly known as of the Effective Date as the "Gopher State One Call" system).

4.7. **Shared Use of Poles; Street Lights.** If the City desires to place facilities on the Company's poles, the City shall enter into a License Agreement for Pole Attachment Rental with the Company containing terms and conditions substantially similar to those contained in other such Agreements that the Company has with other governmental entities.

4.8. **Vegetation Control.** Subject to such procedures, regulation and supervision as the Council may establish, the Company may, at its cost, trim all trees and shrubs in the Public Ways located within the Company Service Area to the extent the Company finds it necessary to avoid interference with the proper construction, operation, repair and maintenance of any of the Company's Electric Facilities installed or maintained hereunder provided that Company shall hold the City harmless from any liability arising therefrom, and subject to permit or other reasonable regulation by the City.

4.9. **Notice of City Improvements.** The City will give the Company reasonable advance Notice of plans for improvements to Public Ways and Public Ground in the Company Service Area where the City has reason to believe that the Company's Electric Facilities may affect or be affected by such improvements. The Notice will contain: (i) the nature and character of the improvements, (ii) the Public Ways and/or Public Ground upon which the improvements are to be made, (iii) the extent of the improvements, (iv) the time when the City will start the work, and (v) if more than one Public Way or parcel of Public Ground is involved, the order in which the work is to proceed.

4.10 **Acquisition.** The City shall have the right to purchase or otherwise acquire the Company's Electric Facilities or the Company Service Area, or portion(s) thereof, at any time by way of eminent domain under Minnesota Statutes, Chapter 117 or under Minnesota Statutes, Chapter 216B, in either case, as such statutes or amendments to such are in effect on the date the City commences such purchase or acquisition. In that event, the pleading commencing the acquisition proceeding by the City shall be noticed to the Company for it to make any adjustments to its long-range planning for facilities and service for the area affected by the proceeding. Any damages to the Company as a result of such proceeding shall be determined as of the commencement of such proceeding. The Company shall continue to operate the Electric Facilities at the City's sufferance only until such acquisition is completed. The expiration or termination of this Franchise as hereinbefore provided shall not, by itself, be an independent basis of any claim by the Company against the City.

SECTION 5. ELECTRIC FACILITIES RELOCATION.

5.1. **Relocation.** In the event the City reasonably determines that it is necessary for the Company to move any part of its Electric Facilities because the City has determined to change, move or improve its Public Ways or that the Electric Facilities have become or will become a substantial impairment to the existing or imminent public use of Public Ground, upon reasonable Notice by the City to the Company, then the Company will move its Electric Facilities at its sole cost. The City shall consider reasonable alternatives in designing its public works projects so as not to arbitrarily cause the Company unreasonable additional expense in exercising its authority under this Section 5.1. This Section 5.1 shall not constitute a taking by the City nor be construed as a waiver or modification of any easement or prescriptive rights acquired by the Company independent of and without reliance by the Company on this Franchise.

5.2. **No Release of Liability.** Nothing contained herein shall relieve any third party from liability arising out of their failure to exercise reasonable care to avoid injuring the Company's Electric Facilities while performing any work connected with grading, regarding or changing the line of any Public Way or with any construction on or adjacent to any Public Way; provided, however, this Section 5.2 shall not limit the City's rights to indemnification under Section 6.1 nor shall the City in any way be liable to the Company for claims arising from the negligence of any third party.

SECTION 6. INDEMNIFICATION.

6.1. **Indemnification.** If at any time any claim of any kind is made against the City for injury to persons or property arising from the acts or failure to act by the Company, its agents, servants, or employees in connection with the operations of the Company under and pursuant to this Franchise, the Company shall fully indemnify, defend and hold harmless the City, its agents, servants or employees from any and all such claims, including, but not limited to, reimbursement of any reasonable attorney's fees and costs and expenses the City may incur in handling, denying, or defending such claims. The Company's obligation to indemnify the City shall not extend to any injury to persons or property caused by the negligent act or failure to act by the City or any actions taken by the Company pursuant to directions of the

City if performed within the scope of the City's directions without negligence by the Company. The City shall determine who will defend any such claims arising under this Section 6.1 and the Company will thereafter have complete control of such litigation; provided, however, the Company may not settle any such claims without the prior approval of the City, which approval will not be unreasonably withheld. This Section is not, as to third parties, a waiver of any defense or immunity otherwise available to the City; and the Company, in defending any action shall be entitled to assert every defense or immunity that the City could itself assert in its own behalf. The Company's obligations under this Section shall survive the expiration, amendment, or termination of this Ordinance.

6.2. **Insurance.** Before the Effective Date, the Company shall furnish the City a summary of insurance, if any, carried by the Company, or of its self-insured status, in either case demonstrating adequate protection to the City from any and all obligations, liabilities, or claims of any nature whatsoever, growing out of the operation, construction, and maintenance of its Electric Facilities within the City. The Company shall maintain such insurance coverage at all times during this Franchise.

6.3. **Compliance with Laws; Hazardous Substances.** In its operation under this Ordinance, the Company shall observe all federal, state and local laws, rules, regulations and orders with respect to the transmission, distribution, transformation or furnishing of electric energy and the handling of materials, substances and wastes deemed toxic or hazardous to health, natural resources or the environment (collectively, "Hazardous Substances"). The Company shall remove or remediate any Hazardous Substances located on, in or surrounding its Electric Facilities or caused to be located on, in or surrounding the Public Ways and Public Grounds or elsewhere in the City in compliance with all applicable laws, regulations and lawful government orders, and pay or cause to be paid all costs associated therewith. The indemnification terms and conditions of Section 6.1 shall apply to all claims made against the City by any Person, including any governmental agency, who or which asserts any right to costs, damages or other relief based upon the terms and conditions imposed upon the Company under this Section 6.3 or which arise from or are related to the Company's acts or failure to act in compliance with any law, rule, regulation or lawful order governing Hazardous Substances.

SECTION 7. VACATION OF PUBLIC WAYS. The City will consult with the Company at least four (4) weeks prior to its action on any proposed vacation of a Public Way. Except where ordered pursuant to Section 5.1, the vacation of any Public Way after the installation of Electric Facilities shall not operate to deprive the Company of its rights to operate and maintain such Electric Facilities until the reasonable cost of relocating the same and the loss and expense resulting from such relocation are first paid to the Company. However, in no case shall the City be liable to the Company for failure to specifically preserve a Public Way in the exercise of its authority under Minnesota Statutes, Section 160.29.

SECTION 8. ABANDONED FACILITIES. The Company shall comply with City ordinances and Minnesota Statutes, Section 216D.01 et seq., as they may be amended from time to time. The Company shall maintain records describing the exact location of all abandoned and retired Facilities within the City, produce such records at the City's request and comply with the location requirements of Section 216D.04 with respect to all Electric Facilities, including abandoned and retired Electric Facilities.

SECTION 9. RATES AND SERVICE. The electric service provided and the rates charged by the Company for electric service, as of the Effective Date, may be subject to the jurisdiction of the Commission as provided in Minnesota Statutes, chapter 216B. In the event the Company shall determine after the Effective Date to change its rates or terms and conditions of electric service, the Company shall provide reasonable advance Notice of such proposed action to the City.

SECTION 10. FRANCHISE FEE.

10.1. **Authority.** The City reserves all rights under Minnesota Statutes, Sections 216B.36 and 301B.01 or other law to require a franchise fee at any time during the term of, and in consideration for, this Franchise. The franchise fee may be expressed (i) as a specified charge per measurable unit of electricity being provided, transported, transmitted, sold, furnished, delivered, or received within the City, or (ii) as a percentage of the Gross Revenues received by the Company for its operations within the City, or (iii) a flat

fee per customer based on service to retail customers within the City or on some other similar basis, or (iv) in such other manner or fashion as the City may determine. The method of imposing the franchise fee may differ by customer class, by type of Utility, by particular circumstances of a Utility Service Provider, or by other relevant factor, and may combine the methods described in (i) through (iv) above.

10.2. **Payment of Fee.** The franchise fee shall be payable not less often than quarterly and shall be based on the complete billing month for which payment is due. The payment shall be due forty-five (45) days after the end of the month for which the payment is due. Each payment shall be accompanied by a brief report showing the basis for the computation of the payment and such other relevant facts to support the computation as may be requested by the City from time to time. The Company may, in its sole discretion, impose a surcharge equivalent to the franchise fee in its rates for electric service. The Company shall pay the City the franchise fee based upon the prevailing rate and as billed to the customer, but subject to subsequent adjustment in either of the following events: (i) if any amount so billed subsequently becomes uncollectible after reasonable efforts of collection by the Company or (ii) if the Company shall, after any said billings, retroactively reduce its rates or costs to its retail electric customers so that a refund is due from the Company of an amount previously paid or incurred by the retail electric customers.

10.3. **No Waiver or Release.** No acceptance of any payment shall be construed as an accord that the payment made is in fact the correct amount, nor shall such acceptance of the payment be construed as a release of any claim that the City may have for further sums payable under the provisions of this Ordinance. All amounts paid shall be subject to audit and re-computation by the City. The Company agrees to make all records necessary to audit the Company's calculation of any payment available for inspection by the City or its designated representative at reasonable times.

10.4. **Separate Ordinance.** Notwithstanding anything to the contrary, including the provisions of 10.1 herein, the franchise fee may be changed by the City from time to time by separate ordinance; provided, however, such changes shall not occur more often than once in any calendar year and shall be effective upon the earlier of (1) approval by the Commission authorizing the Company to incorporate such fee within its rate schedule, or (2) sixty (60) days after the Company has provided timely notice to the Commission of the ordinance adopting the change. Notice of any proposed change must be given to all electrical service providers and shall be applied equally and shall be given to the Company(s) not later than the effective date of the ordinance adopting the change.

SECTION 11. DEFAULTS. If the Company shall be in default in the performance of any of the material terms and conditions of this Ordinance, and shall continue in default for more than thirty (30) days (or fails to initiate the cure of the default within said period and diligently pursue said cure, if the cure of the default cannot reasonably be accomplished within said 30 days) after receiving Notice from the City of such default, the City may elect to cure such default and charge the Company for the costs thereof.

SECTION 12. AMENDMENT PROCEDURE. The City reserves the right to amend this Franchise by ordinance. The Company's rights hereunder are subject to the police power of the City to adopt and enforce ordinances necessary to the health, safety, and welfare of the public, and this Franchise may be amended by the City as deemed necessary or appropriate in the exercise of such power.

SECTION 13. GENERAL PROVISIONS OF ORDINANCE.

13.1. **Governing Law.** This Franchise is granted and is intended to be performed in the State of Minnesota and shall be construed and enforced in accordance with the laws of the State of Minnesota. The Company shall be subject to personal jurisdiction in the State of Minnesota. All actions related to this Ordinance or its enforcement shall be venued in the District Court of the State of Minnesota within which venue the City is located.

13.2. **Right to Repeal.** If this Franchise, having become final and operative as herein provided, shall be declared in any part illegal or void, then the City, in its sole discretion, may repeal the entire or any portion of this Ordinance. If any material portion of this Ordinance is declared void or illegal, then this Ordinance shall be void in its entirety.

13.3. **Limitation on Applicability.** This Ordinance constitutes a franchise between the City and the Company as the only parties and no provision of this Franchise shall in any way inure to the benefit of any third person (including the public at large) so as to constitute any such person as a third party beneficiary of the agreement or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

13.4. **Assignment.** The Company may assign this Franchise without the prior approval of, but upon not less than thirty (30) days' prior Notice to, the City. Such Notice shall include the identity of and contact information for, the assignee and the statement of the assignee's plans and intentions for the operation of the Electric Facilities under this Franchise.

SECTION 14. ACCEPTANCE BY THE COMPANY.

14.1. **Acceptance by the Company.** The Company shall, within thirty (30) days after passage and publication of this Ordinance or any amendment thereto, file with the City Administrator in writing its acceptance or rejection as provided in Section 14.2. If such acceptance is not filed or if a rejection is filed within said period, the Company, by its continuing operations, shall be deemed to have accepted the terms and conditions of this Franchise or any amendment hereto, except with respect to such particulars as it may successfully challenge under the procedures specified in Section 14.2.

14.2. **Rejection Procedures.** A rejection of this Franchise or any amendment hereto may be made by the Company only upon the grounds that the terms and conditions hereof or of such amendment exceed the lawful authority of the City under the Constitutions or Laws of the United States or the State of Minnesota or are otherwise unlawful. Any rejection shall be submitted in writing to the City, stating with particularity the points and authorities of law upon which the Company relies. If the City fails to amend this Franchise or otherwise satisfy the Company's objections as stated within thirty (30) days of its receipt of the Company's rejection, the Company shall have the right thereafter to seek appropriate judicial or administrative relief based solely upon those provisions it has alleged are unlawful in its rejection notice. If the Company fails to initiate such legal action within thirty (30) days from the expiration of the aforementioned thirty (30) day period provided for the City's amendment or cure, the Company shall be deemed to have waived its objections and to have accepted the terms of this Franchise or any amendment hereto.

SECTION 15. REPEAL OF CONFLICTING ORDINANCES. All ordinances or parts of ordinances in conflict herewith are repealed.

SECTION 16. EFFECTIVE DATE. This ordinance shall take effect and be in force from and after its passage and publication in accordance with law.

EFFECTIVE DATE.

Subdivision 1: This Ordinance shall be in full force and in effect from and after its passage, approval, recording and publication as provided by law.

Passed and adopted by the City Council of the City of Cloquet on the ____ day of _____, 2018.

Dave Hallback, Mayor

Attest: _____
Aaron Reeves, City Administrator



ADMINISTRATIVE OFFICES

1307 Cloquet Avenue • Cloquet, MN 55720
Phone: 218-879-3347 • Fax: 218-879-6555
email: admin@ci.cloquet.mn.us
www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Nancy Klassen, Finance Director
Reviewed/Approved by: Aaron Reeves, City Administrator *AR*
Date: January 8, 2018

ITEM DESCRIPTION: 2018 Water and Sewer User Fees

Proposed Action

Staff recommends the Council move to approve **RESOLUTION NO. 18-05, RESOLUTION AMENDING THE UTILITY RATES.**

Background/Overview

The City has not increased water rates since 2010 and sewer rates since 2014. These rate increases were based on a rate study completed in 2009.

The City contracted with Progressive Consulting Engineers, Inc. to prepare a rate study in 2017. The study recommends rates for 2018 through 2026. We are requesting the suggested 2018 rates be implemented July 1, 2018, with the first bill sent on August 10th. Future rate adjustments will be analyzed and requested yearly if still determined to be needed. The cash balance goal of the funds are set at 50% of operating costs plus one year's debt service.

The main driver for the water rate increase is mainly due to the need for constructing a filter plant for well 8 because of the amount of manganese. Well 8 contributes 30% of the water needed for the City and has been shut down temporarily. Well exploration did not find any adequate sources to replace well 8. The cost of the filter plant is estimated to be \$5.6 million. The City could not build and operate the filter plant without a rate increase.

The main driver for the sewer rate increase is overall operating costs. Sewer is piped and treated by the Western Lake Superior Sanitary District (WLSSD) in Duluth. These charges plus other operating costs have increased significantly since the last rate increase. The City anticipated increasing sewer rates in 2016 or 2017 but decided to wait until the rate study was completed.

Example of Rate Change - based on a 5/8" Meter and 1,000 gallons usage for City customers

| | Current Rate | Proposed Rate |
|------------------------|--------------|---------------|
| Water fixed rate | \$ 4.00 | \$ 6.00 |
| Water consumption rate | \$ 2.00 | \$ 2.35 |
| Sewer fixed rate | \$ 3.00 | \$ 4.00 |
| Sewer consumption rate | \$ 4.75 | \$ 5.15 |

The average residential customer increase equates to \$5.69 per month and the average commercial/industrial customer increase equates to \$24.05 per month. The estimated rate increases from 2019 to 2026 are lower than these amounts.

Policy Objectives

User charges that sustain the increasing operating costs of the services such as; WLSSD fees, salaries, and supplies plus the water filter plant construction in 2018 plus other future capital needs.

Financial Impacts/Budget/Grant Considerations

Additional revenues for the Water and Sewer Funds that support operations, capital investment in the systems, and maintains reserves at 50% of operating expenses plus one year's debt service costs.

Advisory Committee/Commission Action

Not applicable.

Supporting Documentation Attached

- Resolution for water and wastewater user fee change
- Utility rate schedule
- PCE Study – Proposed Rates and Recommendations
- AE2S City rate comparison chart

**CITY OF CLOQUET
COUNTY OF CARLTON
STATE OF MINNESOTA**

RESOLUTION NO. 18-05

**RESOLUTION AMENDING THE
UTILITY RATES**

WHEREAS, The City of Cloquet annually charges fees for water and sewer services; and

WHEREAS, City Code Chapter 11 allows the City to establish fees by resolution; and

WHEREAS, The City Council has concluded that it is appropriate for the fee schedule to be amended as proposed by the 2017 Utility Rate Study.

NOW, THEREFORE, BE IT RESOLVED, That the Utility Rates be amended to the revised fees listed on the attached schedule to be effective July 1, 2018 and shall be implemented for the August 10, 2018 utility bills.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET
THIS 16TH DAY OF JANUARY, 2018.**

Dave Hallback, Mayor

ATTEST:

Aaron Reeves, City Administrator

2018 PUBLIC WORKS-UTILITIES (Approved 1/16/2018) Effective 7/1/2018 - August 10th Billing

| | | |
|---|----------------------------------|----------------------|
| Water Rates - Residential & Commercial | | |
| Inside Rate - Consumption | Per 1,000 gallons | \$2.35 |
| Irrigation | Per 1,000 gallons | \$2.95 |
| Residential single metered - conservation | Over 6,000 gallons | \$2.95 |
| | | |
| Inside Rate - Fixed - monthly | 5/8" & 3/4" meter | \$6.00 |
| | 1" meter | \$6.60 |
| | 1 1/2" meter | \$8.40 |
| | 2" meter | \$10.80 |
| | 3" meter | \$17.40 |
| | 4" meter | \$66.00 |
| | 6" meter | \$84.00 |
| | 8" meter | \$126.00 |
| | 10" or larger meter | \$174.00 |
| | | |
| Outside Rate - Consumption | Per 1,000 gallons | \$3.35 |
| Irrigation | Per 1,000 gallons | \$4.20 |
| Residential single metered - conservation | Over 6,000 gallons | \$4.20 |
| | | |
| Outside Rate - Fixed - monthly | 5/8" & 3/4" meter | \$7.00 |
| | 1" meter | \$7.70 |
| | 1 1/2" meter | \$9.80 |
| | 2" meter | \$12.60 |
| | 3" meter | \$20.30 |
| | 4" meter | \$77.00 |
| | 6" meter | \$98.00 |
| | 8" meter | \$147.00 |
| | 10" or larger meter | \$203.00 |
| | | |
| <i>Inside and Outside Rate</i> | Dept of Health monthly fee | \$0.55 |
| | | |
| Sewer Rates - Residential & Commercial | | |
| Class 1 & 2 | Per 1,000 gallons | \$5.15 |
| Class 3 | Per 1,000 gallons | Set by Council |
| | Fixed - monthly | \$4.00 |
| | | |
| Unpolluted Water Connection Fees Monthly Fees (effective 1/1/2018) | | |
| Sump pump installation discharging | Less than 50,000 gallons yrly | \$15.00 |
| | 50,000 to 100,000 gallons yrly | \$35.00 |
| | More than 100,000 gallons yrly | \$50.00 |
| | | |
| Roof Drain Connections involving | Less than 4,000 sq ft roof area | \$25.00 |
| | 4,000 to 8,000 sq ft roof area | \$50.00 |
| | 8,000 to 10,000 sq ft roof area | \$75.00 |
| | More than 10,000 sq ft roof area | Set by City Engineer |
| | | |

*City of Cloguet
Water*

- A) Increase water rates by \$0.35 for three years, then increase it by \$0.40 from 2021 to 2026
- B) Increase Fixed Charge by \$2.00 for inside and outside city customer, then increase fixed charge by \$0.25 every year

Notes:

- The suggested year-end cash balance is half of O&M Expenses + 1 Year of Debt Services, which comes out to be around \$1.4 million dollars.
- By 2026, the cash balance is right around the suggested cash balance.

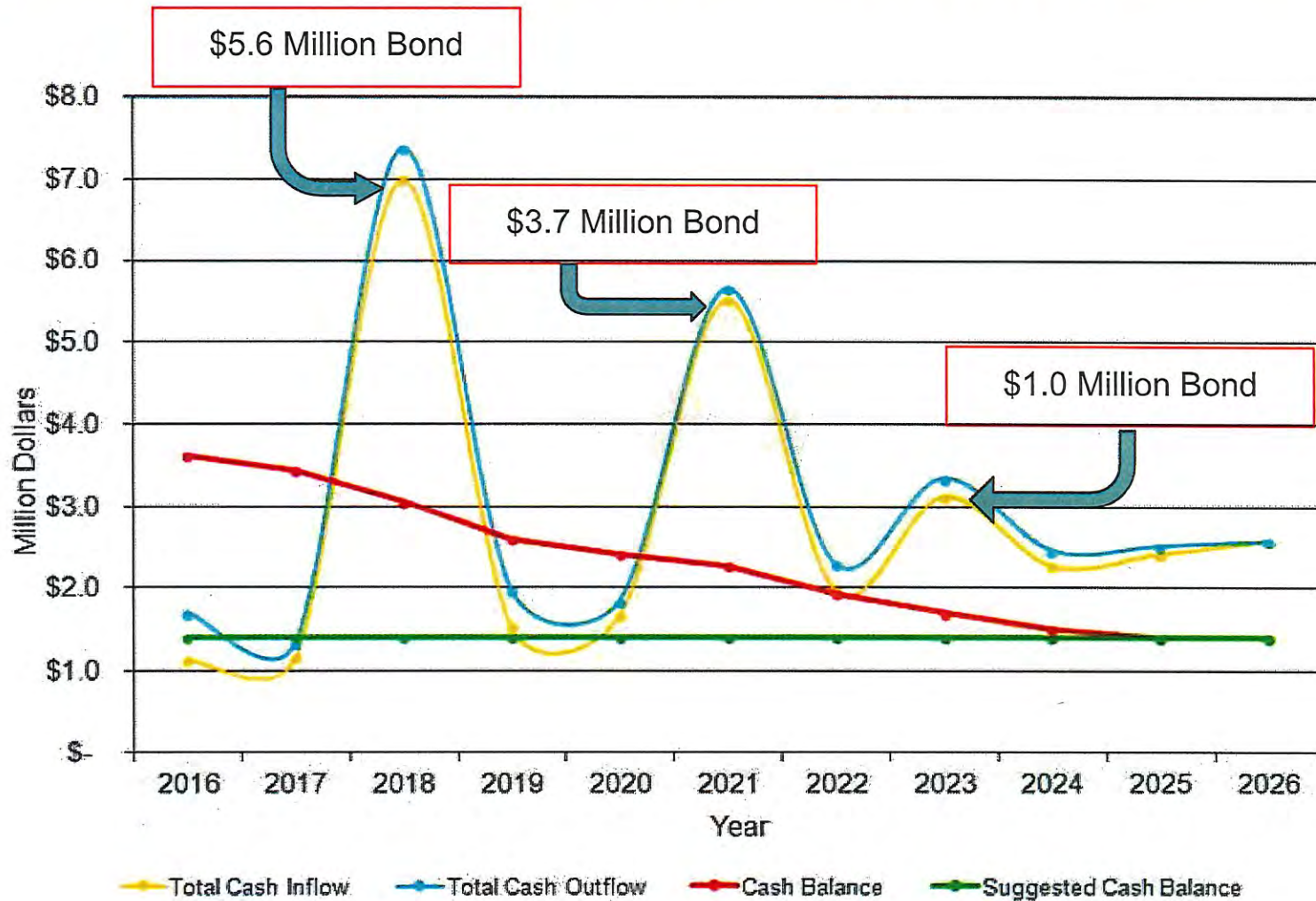
City of Cloquet

Table 15W - Water
Projected Cash Balance with Proposed Rates

| Description | Actual | | Projected | | | | | | | | | |
|---|--------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | |
| Number of Connections | | | | | | | | | | | | |
| Meter Equivalents (Inside City Customers) | 3,888 | 3,900 | 3,906 | 3,911 | 3,918 | 3,924 | 3,929 | 3,937 | 3,943 | 3,950 | 3,955 | |
| Meter Equivalents (Outside City Customers) | 418 | 419 | 421 | 421 | 422 | 423 | 423 | 424 | 425 | 425 | 426 | |
| Water Sold | | | | | | | | | | | | |
| Number of Connections | 4,080 | 4,093 | 4,101 | 4,107 | 4,114 | 4,121 | 4,127 | 4,134 | 4,141 | 4,147 | 4,154 | |
| Residential Use Per Year (1000 gallons) | 145,260 | 149,525 | 149,023 | 148,523 | 148,024 | 147,522 | 147,026 | 146,531 | 146,037 | 145,545 | 145,049 | |
| Commercial/Industrial Use Per Year (1000 gallons) | 207,542 | 190,413 | 189,779 | 189,148 | 188,518 | 187,844 | 187,217 | 186,592 | 185,969 | 185,347 | 184,726 | |
| Outside City Use Per Year (1000 gallons) | 22,601 | 26,395 | 26,326 | 26,194 | 26,126 | 26,058 | 25,928 | 25,860 | 25,792 | 25,663 | 25,596 | |
| Total Water Sold | 375,403 | 366,332 | 365,129 | 363,865 | 362,668 | 361,425 | 360,171 | 358,983 | 357,798 | 356,555 | 355,371 | |
| Water Rates | | | | | | | | | | | | |
| Inside Charge (Per 1000 gallons) | \$ 2.00 | \$ 2.00 | \$ 2.35 | \$ 2.70 | \$ 3.05 | \$ 3.45 | \$ 3.85 | \$ 4.25 | \$ 4.65 | \$ 5.05 | \$ 5.45 | |
| Outside Charge (Per 1000 gallons) | \$ 3.00 | \$ 3.00 | \$ 3.35 | \$ 3.70 | \$ 4.05 | \$ 4.45 | \$ 4.85 | \$ 5.25 | \$ 5.65 | \$ 6.05 | \$ 6.45 | |
| Inside Fixed Charge Per Month (5/8" Equivalent Meter Size) | \$ 4.00 | \$ 4.00 | \$ 6.00 | \$ 6.25 | \$ 6.50 | \$ 6.75 | \$ 7.00 | \$ 7.25 | \$ 7.50 | \$ 7.75 | \$ 8.00 | |
| Outside Fixed Charge Per Month (5/8" Equivalent Meter Size) | \$ 5.00 | \$ 5.00 | \$ 7.00 | \$ 7.25 | \$ 7.50 | \$ 7.75 | \$ 8.00 | \$ 8.25 | \$ 8.50 | \$ 8.75 | \$ 9.00 | |
| Drinking Water Service Connection Fee Per Month | \$ 0.55 | \$ 0.55 | \$ 0.55 | \$ 0.55 | \$ 0.55 | \$ 0.55 | \$ 0.55 | \$ 0.55 | \$ 0.55 | \$ 0.55 | \$ 0.55 | |
| Cash Inflows | | | | | | | | | | | | |
| Water Sales | | | | | | | | | | | | |
| Residential Water Sales | \$ 290,520 | \$ 299,050 | \$ 350,205 | \$ 401,013 | \$ 451,474 | \$ 508,952 | \$ 566,050 | \$ 622,756 | \$ 679,073 | \$ 735,000 | \$ 790,517 | |
| Commercial/Industrial Water Sales | \$ 415,084 | \$ 380,825 | \$ 445,982 | \$ 510,699 | \$ 574,979 | \$ 648,063 | \$ 720,787 | \$ 793,017 | \$ 864,755 | \$ 936,001 | \$ 1,006,758 | |
| Outside City Water Sales | \$ 67,803 | \$ 79,184 | \$ 88,192 | \$ 96,919 | \$ 105,811 | \$ 115,959 | \$ 125,750 | \$ 135,765 | \$ 145,726 | \$ 155,263 | \$ 165,094 | |
| Fixed Charge | \$ 211,676 | \$ 212,317 | \$ 316,596 | \$ 329,952 | \$ 343,584 | \$ 357,183 | \$ 370,644 | \$ 384,452 | \$ 398,184 | \$ 411,938 | \$ 425,650 | |
| Drinking Water Service Connection Fee | \$ 26,928 | \$ 27,016 | \$ 27,063 | \$ 27,104 | \$ 27,150 | \$ 27,196 | \$ 27,236 | \$ 27,283 | \$ 27,330 | \$ 27,370 | \$ 27,416 | |
| Total Water Sales Revenue | \$ 1,012,011 | \$ 998,392 | \$ 1,228,038 | \$ 1,365,687 | \$ 1,502,999 | \$ 1,657,352 | \$ 1,810,467 | \$ 1,963,273 | \$ 2,115,068 | \$ 2,265,572 | \$ 2,415,435 | |
| Other Utility Revenue | | | | | | | | | | | | |
| Cash Over/Under | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Connection/Reconnection Fees | \$ 12,653 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | |
| Penalties and Forfeited Discount | \$ 15,057 | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ 12,500 | |
| Other Revenue | \$ 2,281 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | |
| Total Other Utility Revenue | \$ 29,991 | \$ 27,500 | \$ 27,500 | \$ 27,500 | \$ 27,500 | \$ 27,500 | \$ 27,500 | \$ 27,500 | \$ 27,500 | \$ 27,500 | \$ 27,500 | |
| Non Operating Revenue | | | | | | | | | | | | |
| Charges for Services (Labor, Equipment and Material) | \$ 18,455 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | |
| Special Assessments | \$ 52,158 | \$ 55,000 | \$ 55,000 | \$ 55,000 | \$ 55,000 | \$ 55,000 | \$ 55,000 | \$ 55,000 | \$ 55,000 | \$ 55,000 | \$ 55,000 | |
| Miscellaneous | \$ 12,380 | \$ 70,000 | \$ 70,000 | \$ 70,000 | \$ 70,000 | \$ 70,000 | \$ 70,000 | \$ 70,000 | \$ 70,000 | \$ 70,000 | \$ 70,000 | |
| Total Non Operating Revenues | \$ 82,993 | \$ 135,000 | \$ 135,000 | \$ 135,000 | \$ 135,000 | \$ 135,000 | \$ 135,000 | \$ 135,000 | \$ 135,000 | \$ 135,000 | \$ 135,000 | |
| Bonds | \$ - | \$ - | \$ 5,600,000 | | \$ - | \$ 3,700,000 | \$ - | \$ 1,000,000 | \$ - | \$ - | \$ - | |

City of Cloquet - Water

Projected Cash Balance: Recommended Rates



*City of Cloquet
Sewer*

- A) Increase Sewer rates by \$0.40 from 2018-2026
- B) Increase Fixed Charge by \$1.00 every other year

Notes:

- The suggested year-end cash balance is half of O&M Expenses + 1 Year of Debt Services, which comes out to be around \$1.0 million dollars.
- By 2025, the cash balance is right around the suggested cash balance.

City of Cloquet

Table 7S - Sewer
Projected Cash Balance with Proposed Rates

| Description | Actual | Projected | | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | |
| Sewage | | | | | | | | | | | | |
| Number of Connections | 3,558 | 3,563 | 3,566 | 3,572 | 3,575 | 3,580 | 3,583 | 3,588 | 3,591 | 3,597 | 3,600 | |
| Total Sewage Flow Per Year (1000 gallons) | 260,025 | 246,977 | 245,882 | 245,372 | 244,285 | 243,776 | 242,695 | 242,188 | 241,114 | 240,608 | 239,541 | |
| Sewer Rates | | | | | | | | | | | | |
| Residential (Per 1000 gallons) | \$ 4.75 | \$ 4.75 | \$ 5.15 | \$ 5.55 | \$ 5.95 | \$ 6.35 | \$ 6.75 | \$ 7.15 | \$ 7.55 | \$ 7.95 | \$ 8.35 | |
| Commercial/Industrial/Municipal (Per 1000 gallons) | \$ 4.75 | \$ 4.75 | \$ 5.15 | \$ 5.55 | \$ 5.95 | \$ 6.35 | \$ 6.75 | \$ 7.15 | \$ 7.55 | \$ 7.95 | \$ 8.35 | |
| Inside Fixed Charge Per Month (All Meter Size) | \$ 3.00 | \$ 3.00 | \$ 4.00 | \$ 4.00 | \$ 5.00 | \$ 5.00 | \$ 6.00 | \$ 6.00 | \$ 7.00 | \$ 7.00 | \$ 8.00 | |
| Cash Inflows | | | | | | | | | | | | |
| Operating/Utility Revenue from Sewage | | | | | | | | | | | | |
| Sewer Charges | \$ 1,235,119 | \$ 1,173,138 | \$ 1,266,292 | \$ 1,361,817 | \$ 1,453,494 | \$ 1,547,979 | \$ 1,638,193 | \$ 1,731,644 | \$ 1,820,410 | \$ 1,912,831 | \$ 2,000,163 | |
| Fixed Charge | \$ 128,088 | \$ 128,274 | \$ 171,184 | \$ 171,433 | \$ 214,482 | \$ 214,793 | \$ 257,981 | \$ 258,354 | \$ 301,682 | \$ 302,118 | \$ 345,585 | |
| Total Operating Revenue | \$ 1,363,207 | \$ 1,301,413 | \$ 1,437,476 | \$ 1,533,249 | \$ 1,667,975 | \$ 1,762,772 | \$ 1,896,174 | \$ 1,989,998 | \$ 2,122,092 | \$ 2,214,950 | \$ 2,345,748 | |
| Other Utility Revenue | | | | | | | | | | | | |
| Connection/Reconnection Fees | \$ 6,763 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | |
| Penalties and Forfeited Discount | \$ 15,558 | \$ 17,000 | \$ 17,000 | \$ 17,000 | \$ 17,000 | \$ 17,000 | \$ 17,000 | \$ 17,000 | \$ 17,000 | \$ 17,000 | \$ 17,000 | |
| Miscellaneous (Dumping Fees) | \$ 114,743 | \$ 120,000 | \$ 120,000 | \$ 120,000 | \$ 120,000 | \$ 120,000 | \$ 120,000 | \$ 120,000 | \$ 120,000 | \$ 120,000 | \$ 120,000 | |
| Total Other Utility Revenue | \$ 137,064 | \$ 142,000 | \$ 142,000 | \$ 142,000 | \$ 142,000 | \$ 142,000 | \$ 142,000 | \$ 142,000 | \$ 142,000 | \$ 142,000 | \$ 142,000 | |
| Non Operating Revenue | | | | | | | | | | | | |
| Charges for Service | \$ 5,532 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | |
| Special Assessments | \$ 64,612 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | |
| Miscellaneous | \$ 7,568 | \$ 45,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | |
| Total Non Operating Revenues | \$ 77,712 | \$ 72,000 | \$ 57,000 | \$ 57,000 | \$ 57,000 | \$ 57,000 | \$ 57,000 | \$ 57,000 | \$ 57,000 | \$ 57,000 | \$ 57,000 | |
| Total Cash Inflows | \$ 1,577,983 | \$ 1,515,413 | \$ 1,638,476 | \$ 1,732,249 | \$ 1,868,975 | \$ 1,961,772 | \$ 2,095,174 | \$ 2,188,998 | \$ 2,321,092 | \$ 2,413,950 | \$ 2,544,748 | |
| Cash Outflows | | | | | | | | | | | | |
| Operating and Maintenance Expenses | \$ 1,446,366 | \$ 1,605,400 | \$ 1,562,650 | \$ 1,900,320 | \$ 1,691,300 | \$ 1,708,800 | \$ 1,763,680 | \$ 1,820,970 | \$ 1,880,040 | \$ 1,940,910 | \$ 2,003,610 | |
| Debt Services (Principal + Interest on Bonds) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Total Capital Improvements | \$ 125,000 | \$ 175,000 | \$ 325,000 | \$ 180,000 | \$ 70,000 | \$ 275,000 | \$ 250,000 | \$ 250,000 | \$ 250,000 | \$ 250,000 | \$ 250,000 | |
| Total Cash Outflows | \$ 1,571,366 | \$ 1,780,400 | \$ 1,887,650 | \$ 2,050,320 | \$ 1,761,300 | \$ 1,983,800 | \$ 2,013,580 | \$ 2,070,970 | \$ 2,130,040 | \$ 2,190,910 | \$ 2,253,610 | |
| Net Increase (or Decrease) | \$ 6,597 | \$ (264,987) | \$ (251,174) | \$ (318,071) | \$ 105,675 | \$ (22,028) | \$ 81,594 | \$ 118,028 | \$ 191,052 | \$ 223,040 | \$ 291,138 | |
| Cash Balance | | | | | | | | | | | | |
| Cash Balance Jan 1 | \$ - | \$ 1,090,419 | \$ 825,431 | \$ 574,258 | \$ 256,187 | \$ 361,862 | \$ 339,834 | \$ 421,428 | \$ 539,457 | \$ 730,509 | \$ 953,548 | |
| Cash Balance Dec 31 | \$ 1,090,419 | \$ 825,431 | \$ 574,258 | \$ 256,187 | \$ 361,862 | \$ 339,834 | \$ 421,428 | \$ 539,457 | \$ 730,509 | \$ 953,548 | \$ 1,244,686 | |

Notes:

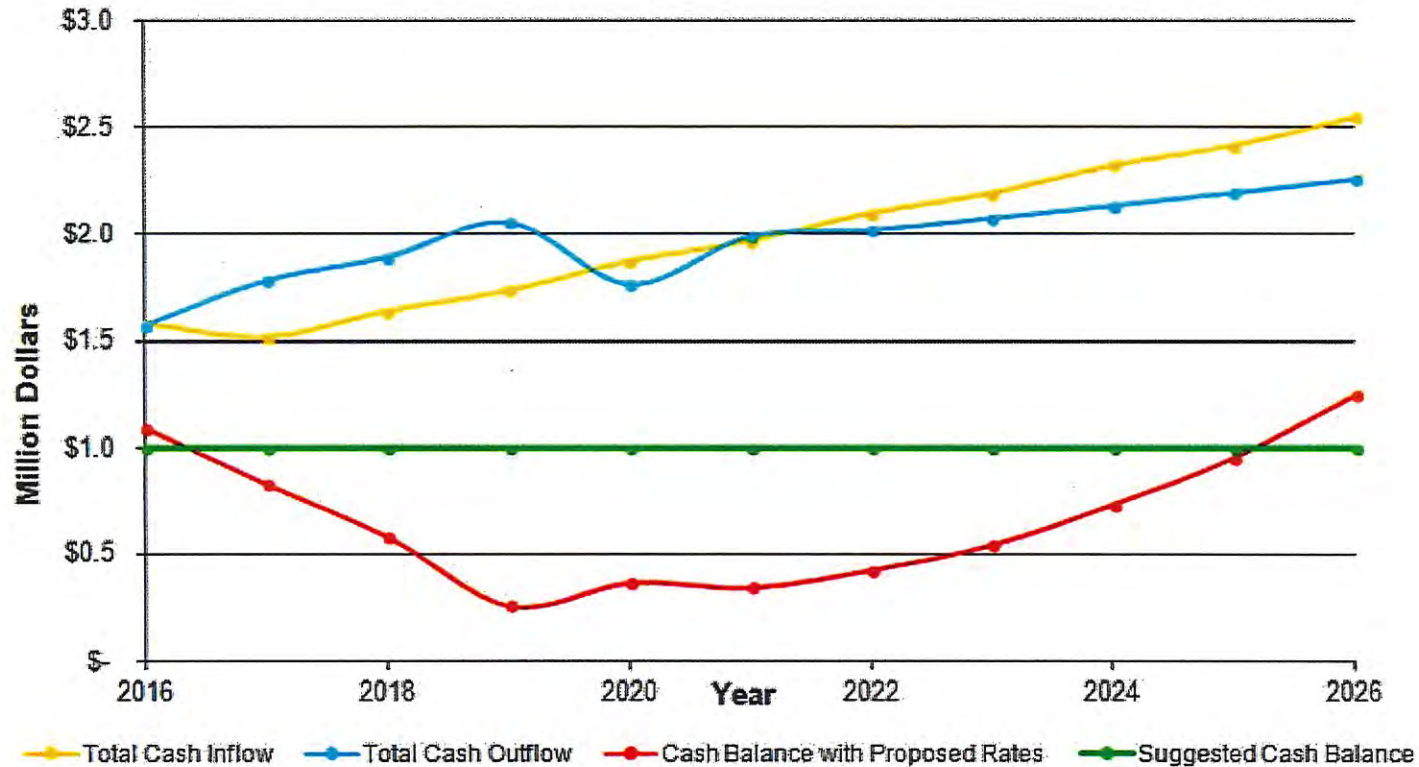
The sewer rates from 2016-2017 are the actual rates charged by the City of Cloquet

Assumptions:

- Increase Sewer rates by \$0.35 every year from 2018-2026
- Increase Fixed Charge rates by \$1.00 every two years from 2018-2026
- Total Capital Improvements remains constant from 2022-2026

City of Cloquet - Sewer

Projected Cash Balance: Recommended Rates

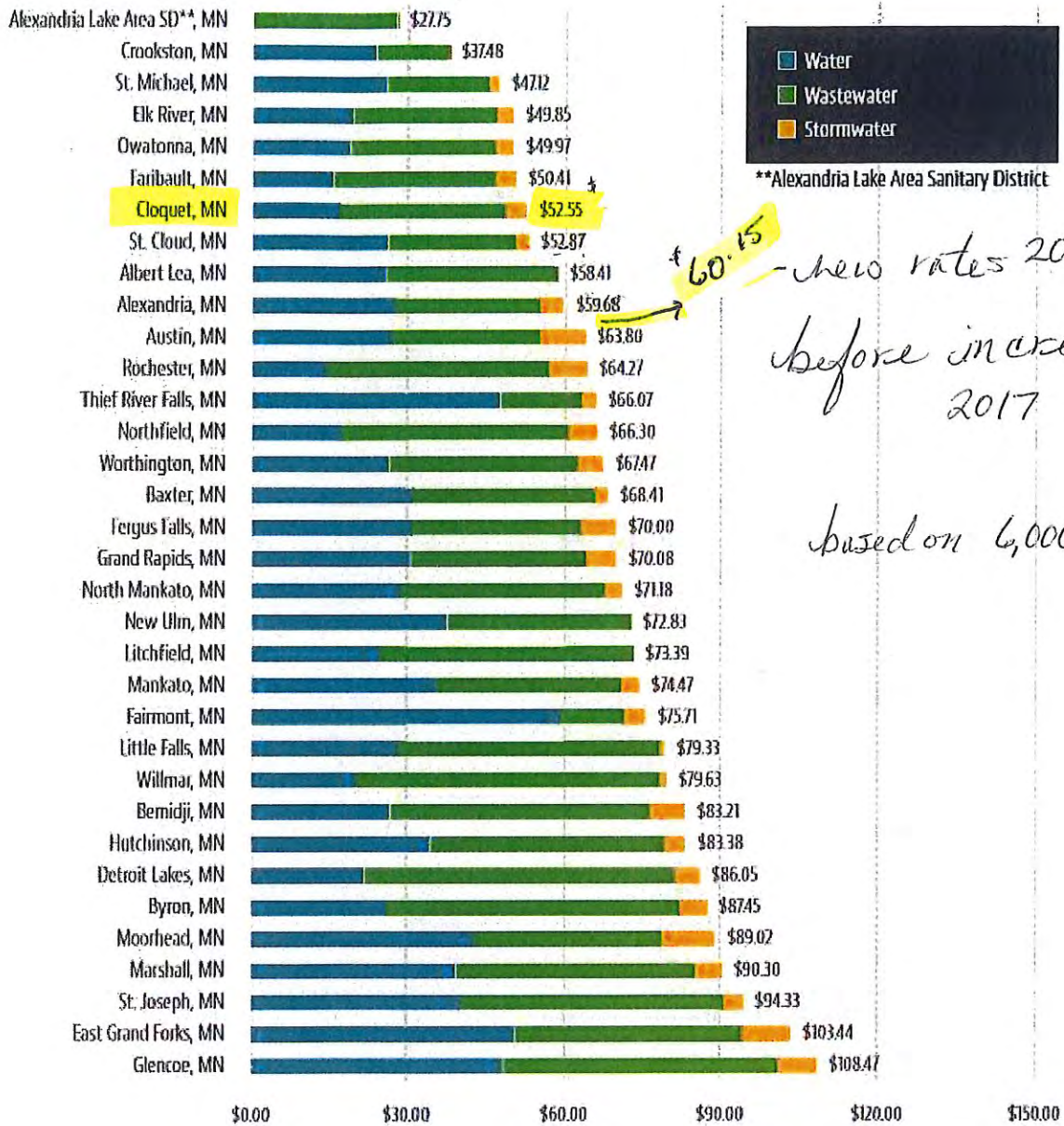


Assumptions

1. Increase Sewer rates by \$0.40 from 2018-2026
2. Increase Fixed Charge by \$1.00 every other year

MINNESOTA

(Excluding Minneapolis/St. Paul Metro)



\$60.15 - new rates 2018 before increases 2017

based on 6,000 gallons.





ADMINISTRATIVE OFFICES

1307 Cloquet Avenue • Cloquet, MN 55720
Phone: 218-879-3347 • Fax: 218-879-6555
email: admin@ci.cloquet.mn.us
www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: James Barclay, Assistant City Administrator & HR Director
Reviewed by: Aaron Reeves, City Administrator *AR*
Date: January 5, 2018

ITEM DESCRIPTION: Teamsters (Law Enforcement) Labor Agreement Negotiations - Tentative Settlement

Proposed Action

Staff recommends that the City Council move to approve the three-year Labor Agreement between the Teamsters and the City and authorizes the Mayor and City Administrator to execute such Agreement.

Background/Overview

The City's Labor Agreement with the Teamsters expired on 12/31/17. This was a three-year Agreement negotiated in 2014. Since late 2017, the City has been negotiating with this unit on a variety of terms and conditions of employment.

The Union and City have reached a tentative Agreement. The union voted to endorse and accept the proposed settlement at a meeting in late December. While a number of language and other format issues are being addressed in this Agreement, the key changes of the settlement are highlighted in yellow on the attached draft agreement.

Policy Objectives

There are two critical statutory laws that the City must follow that relates to collective bargaining and pay. The Minnesota Public Employment Labor Relations Act (MNPELRA), MN Statutes §179A, is the primary law governing public sector collective bargaining. This law defines rights and obligations of employers and employees during union activities.

The second law which is critical is the Minnesota Pay Equity Act. This act requires that each local government analyze its pay structure for evidence of inequities. The City of Cloquet is required to report its wage and benefit results to the State of Minnesota every three years to assure that it is in compliance with this Act.

The City, in 2008, hired Springsted to analyze the City's pay structure and plan. This study represented a thorough and comprehensive review of all aspects of the City's classification compensation system. The recommendations offered in this study provided increased internal equity among positions and assured compliance with the Pay Equity Act. The City has budgeted to conduct a new analysis in 2018.

The proposed contractual changes are consistent with the philosophy of the plan as originally adopted by the City in 2008.

Financial /Budget/Grant Considerations

The proposed settlement is straightforward. Wages are proposed to increase 3% for each year, 2018, 2019 and 2020. The Health Insurance City share has been amended to increase by \$125 per year, or \$10.42 a month per employee.

Advisory Committee/Commission Action

The City's negotiating committee has recommended its support for approval of the proposed settlement.

Supporting Documents Attached

- Labor Agreement with tentative settlement language.

AGREEMENT

BETWEEN

THE CITY COUNCIL OF CLOQUET, MINNESOTA

And

TEAMSTERS GENERAL LOCAL UNION NO. 346

JANUARY 1, 2018 - DECEMBER 31, 2020

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Appendix A

Employees and Compensation Schedule

THE CITY OF CLOQUET, hereinafter referred to as the, "Employer" and the TEAMSTERS GENERAL LOCAL UNION NO. 346 of Duluth, Minnesota, affiliated with the International Brotherhood of Teamsters, representing employees in those classifications covered by this Agreement, hereinafter referred to as the "Union" agree to the following provisions covering wages, hours and working conditions during the period of this Agreement. This Agreement shall supersede and replace all previous agreements between the parties hereto.

TERMS AND RELATIONS: This Agreement is intended to secure proper employment terms and conditions of said Employee and to advance friendly relations between the Employer and the Employees. Both the Employer and Employees agree to carry it out fairly.

ARTICLE 1

RECOGNITION:

1.1 The Employer agrees to and does hereby recognize the Teamsters General Local Union No. 346 of the International Brother of Teamsters, and those persons authorized to and acting in behalf of said Labor Union.

REPRESENTATION:

1.2 The Union shall be the sole representative of all classifications of Employees covered by this Agreement in collective bargaining with the Employer, and there shall be no discrimination against any Employee because of Non-Union affiliation.

CHECK-OFF:

1.3 The Employer agrees to deduct from the pay of all Employees covered by this Agreement dues and initiation fees of the Local Union having jurisdiction over such Employees and agrees to remit to said Local Union all such deductions. Where laws require written authorization by the Employees, the same is to be furnished in the form required. No deduction shall be made which is prohibited by applicable law. Check-off procedures and timing shall be worked out locally.

1.4 All present employees who are members of the Local Union on the effective date of this subsection shall remain members of the Local Union in good standing as a condition of employment. All new employees shall become a member of the Local Union on or after the 31st day of their employment or on and after the 31st day following the signing of this subsection, whichever is the later. Where an employee does not wish to become a member of the Local Union, he shall make arrangements with the Local Union to pay a service fee as provided for by legislation.

ARTICLE 2

INDIVIDUAL AGREEMENT:

2.1 The Employer agrees not to enter into any Contract or Agreement with his Employees, individually or collectively, which in anyway conflicts with the terms and provisions of this Agreement.

ARTICLE 3

DISMISSAL:

- 3.1 The Employer agrees that it will act in good faith in the dismissal of any Employee. Should the Union present a grievance in connection with the dismissal of any Employee within 10 days of such dismissal to the Employer, the dismissal shall be reviewed under the terms of the Grievance Procedures as specified in Article 4.

ARTICLE 4

EMPLOYEE RIGHTS-GRIEVANCE PROCEDURE

DEFINITION OF A GRIEVANCE

- 4.1 For the purpose of this Agreement, the term "grievance" means any dispute arising concerning the interpretation or application of the express provisions of the Agreement or any term or condition of employment.

UNION REPRESENTATIVES

- 4.2 The EMPLOYER will recognize representatives designated by the UNION as the grievance representatives of the bargaining unit having the duties and responsibilities established by this Article. The UNION shall notify the EMPLOYER in writing of the names of such UNION representatives and of their successors when so designated.

PROCESSING OF A GRIEVANCE

- 4.3 It is recognized and accepted by the UNION and the EMPLOYER that the processing of Grievances as hereinafter provided are limited by the job duties and responsibilities of the EMPLOYEES and shall therefore be accomplished during normal working hours only when consistent with such EMPLOYEE duties and responsibilities. The aggrieved EMPLOYEE and the UNION REPRESENTATIVE shall be allowed a reasonable amount of time without loss in pay when a grievance is investigated and presented to the EMPLOYER during normal working hours provided the EMPLOYEE and the UNION REPRESENTATIVE have notified and received the approval of the designated supervisor who has determined that such absence is reasonable and would not be detrimental to the work programs of the EMPLOYER.

PROCEDURE

- 4.4 Grievances, as defined by Section 4.1, shall be resolved in conformance with the following procedures:

Step1. An EMPLOYEE claiming a violation concerning the interpretation or application of this AGREEMENT shall, within ten (10) calendar days after such alleged violation has occurred, present such grievance to the Employer Designated Representative. The Employer Designated Representative will discuss and give an answer to such Step 1 grievance within ten (10) calendar days after receipt. A grievance not resolved in Step 1 and appealed to Step 2 shall be placed in writing setting forth the nature of the grievance, the facts on which it is based, the

provision or provisions of the AGREEMENT allegedly violated, and the remedy requested and shall be appealed to Step 2 within ten (10) calendar days after the Employer Designated Representative final answer in Step 1. Any grievance not appealed in writing to Step 2 by the UNION within ten (10) calendar days shall be considered waived.

Step2. If appealed, the written grievance shall be presented by the UNION and discussed with the Police Chief. The Police Chief shall give the UNION the EMPLOYER'S Step 2 answer in writing within ten (10) calendar days after receipt of such Step 2 grievance. A grievance not resolved in Step 2 may be appealed to Step 3 within ten (10) calendar days following the Police Chiefs final Step 2 answer. Any grievance not appealed in writing to Step 3 by the UNION within ten (10) calendar days shall be considered waived.

Step3. If appealed, the written grievance shall be presented by the UNION and discussed with the City Administrator. The City Administrator shall give the UNION the EMPLOYER'S answer in writing within ten (10) calendar days after receipt of such Step 3 grievance. A grievance not resolved in Step 3 may be appealed to Step 4 within ten (10) calendar days following the City Administrator's final answer in Step 3. Any grievance not appealed in writing to Step 4 by the UNION within ten (10) calendar days shall be considered waived.

Step4. A grievance unresolved in Step 3 and appealed in Step 4 may be submitted to the Minnesota Bureau of Mediation Services. A grievance not resolved in Step 4 may be appealed to Step 5 within ten (10) calendar days following the EMPLOYER'S final answer in Step 4. Any grievance not appealed in writing to Step 5 by the UNION within ten (10) calendar days shall be considered waived.

Step5. A grievance unresolved in Step 4 and appealed in Step 5 shall be submitted to arbitration subject to the provisions of the Public Employment Labor Relations Act of 1971, as amended. The EMPLOYER and the Union representative shall endeavor to select a mutually acceptable arbitrator to hear and decide the grievance. If the parties cannot agree on an arbitrator, the selection of an arbitrator shall be made in accordance with the "Rules Governing the Arbitration of Grievances" as established by the Public Employment Relations Board.

ARBITRATOR'S AUTHORITY

4.5 A. The arbitrator shall have no right to amend, modify, nullify, ignore, add to, or subtract from the terms and conditions of this AGREEMENT. The arbitrator shall consider and decide only the specific issue(s) submitted in writing by the EMPLOYER and the UNION, and shall have no authority to make a decision on any other issue not so submitted.

4.5 B. The arbitrator shall be without power to make decisions contrary to, or inconsistent with, or modifying or varying in any way the application of laws, rules, or regulations having the force and effect of law. The arbitrator's decision shall be submitted in writing within thirty (30) days following the close of the hearing or the submission of briefs by

the parties, whichever be later, unless the parties agree to an extension. The decision shall be binding on both the EMPLOYER and the UNION and shall be based solely on the arbitrator's interpretation or application of the express terms of this AGREEMENT and to the facts of the grievance presented.

- 4.5 C. The fees and expenses for the arbitrator's services and proceedings shall be borne equally by the EMPLOYER and the UNION provided that each party shall be responsible for compensating its own representatives and witnesses. If either party desires a verbatim record of the proceedings, it may cause such a record to be made, providing it pays for the record. If both parties desire a verbatim record of the proceedings the cost shall be shared equally.

WAIVER

- 4.6 If a grievance is not presented within the time limits set forth above, it shall be considered "waived". If a grievance is not appealed to the next step within the specified time limit or any agreed extension thereof, it shall be considered settled on the basis of the EMPLOYER'S last answer. If the EMPLOYER does not answer a grievance or an appeal thereof within the specified time limits, the UNION may elect to treat the grievance as denied at that step and immediately appeal the grievance to the next step. The time limit in each step may be extended by mutual agreement of the EMPLOYER and the UNION.

ARTICLE 5

EMPLOYER AUTHORITY

- 5.1 The EMPLOYER retains the full and unrestricted right to operate and manage all manpower, facilities, and equipment; to establish functions and programs; to set and amend budgets; to determine the utilization of technology; to establish and modify the organizational structure; to select, direct and determine the number of personnel; to establish work schedules; and to perform any inherent managerial function not specifically limited by this AGREEMENT.
- 5.2 Any term and condition of employment not specifically established or modified by this AGREEMENT shall remain solely within the discretion of the EMPLOYER to modify, establish or eliminate.

ARTICLE 6

PAY PERIOD:

- 6.1 All employees covered by this Agreement shall be paid in full bi-weekly. Not more than one pay period shall be held on an employee. All employees shall be paid at the end of their working pay period provided that a responsible person is on duty and in no event later than twenty-four (24) hours after work period. The Union and Employer may, by mutual agreement, provide for semi-monthly or bi-weekly pay periods. Each employee shall be provided with a statement of gross earnings and an itemized statement of all deductions made for any purposes.

ARTICLE 7

BONDS AND PREMIUMS:

- 7.1. The primary obligation to provide bond coverage for employees shall be on the Employer. Should the Employer or any State/Federal guidelines require an employee to have bonding coverage, any premium involved for such bonding shall be paid by the Employer.

ARTICLE 8

PHYSICAL EXAMINATION:

- 8.1 Physical, mental or other examinations required by a government body or the Employer shall be promptly complied with by all employees, provided, however, the employer shall pay for all such examinations. Examinations are to be taken at a medical facility of the employee and are not to exceed one (1) in any one (1) year, unless the employee has suffered serious injury or illness during the year. Employees will be required to take examinations during their working hours, and receive compensation for all hours spent during such examinations.
- 8.2 The Employer reserves the right to select its own medical examiner or physician, and the Union may, if it believes an injustice has been done to an employee, have said employee examined at the Union's expense.
- 8.3 Should the Employer find it necessary to require employees to carry or record full personal identification, such requirement shall be complied with by the employees. The cost of such personal identification shall be borne by the Employer.

ARTICLE 9

CONDITIONS OF EMPLOYMENT:

- 9.1 The Employer agrees that all conditions of employment relating to wages, hours of work, overtime differentials, vacations and other Benefits shall be maintained at not less than the highest minimum standard in effect at the time of signing this Agreement, and the conditions of employment shall be improved wherever specified provisions for improvements are made elsewhere in this Agreement.

ARTICLE 10

STEWARD:

- 10.1. The Employer recognizes the right of the Union to designate a Steward(s) to handle such Union business as may from time to time be delegated to the Steward(s) by the Union.

UNION BUSINESS:

- 10.2 The Employer agrees to grant the necessary and reasonable time off, without

discrimination or loss of seniority rights and without pay, to any employee designated by the Union to attend a labor convention or serve in any capacity or other official union business, provided 48 hours written notice is given to the Employer by the Union, specifying length of time off. The union agrees that in making its request for time off for Union activities, due consideration shall be given to the number of men affected in order that there shall be no disruption of the Employer's operations due to lack of available employees.

ARTICLE 11

EXPENSES:

11.1 All employees because of their duties, when asked to remain away from their home portals, shall receive food and lodging as per City Policy during their absence, in addition to the regular hourly wages.

MILEAGE:

11.2 Where an employee is expected to use his own car in line of duty, he shall be paid mileage at the maximum non-taxable amount allowed under Internal Revenue Service Regulations and the Employer shall have blanket coverage on insurance.

ARTICLE 12

LEAVES OF ABSENCE:

12.1 Any employee desiring leave of absence from his employment shall secure written permission from Employer. The maximum leave of absence shall be for thirty (30) working days and may be extended for like periods. Permission for extension must be secured from the Employer. During the period of absence, the employee shall not engage in gainful employment. Failure to comply with this provision shall result in the complete loss of seniority rights. The employee must make suitable arrangements for continuation of Health and Welfare and Pension payments before the leave may be approved by the Employer.

FUNERAL LEAVE:

12.2 A. When a death occurs in an employee's immediate family, all regular full-time employees may take up to two (2) days off with pay to attend the funeral or make funeral arrangements. The employee may make arrangements with his or her supervisor for up to an additional three (3) days off to be deducted from an employee's accrued sick leave in the instance of the death of an immediate family member. Thus, the maximum number of days off per event shall not exceed five (5).

12.2 B. Time off without pay may be provided so that employees can attend the funeral of individuals other than immediate family. Employees may take unused vacation or personal time with the approval of his/her supervisor, but sick days cannot be used.

Immediate family shall be defined as follows:

| | | | |
|---------|----------|----------------|---------------|
| Father | Wife | Mother-in-law | Grandparents |
| Mother | Husband | Father-in-law | Grandchildren |
| Brother | Daughter | Sister-in-law | Step Children |
| Sister | Son | Brother-in-law | Step Parents |

12.2 C. Any death occurring in City Employment can be attended by City employees without loss of time; time allowed one-half (1/2) day. Discretion shall be used by employees.

CARE OF RELATIVES LEAVE:

12.3 An employee may use sick leave as allowed under this section for safety leave domestic abuse, sexual assault, stalking whether or not the employee's employer allows use for that purpose for such reasonable periods of time as may be necessary. Absences due to employee's child, adult child, spouse, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent, for reasonable periods of time as the employee's attendance may be necessary, on the same terms upon which the employee is able to use sick leave benefits for the purpose of "safety leave" is leave for providing or receiving assistance.

12.4 The Employer may limit the use of safety leave as described in Section 12.3 for the employee's adult child, spouse, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent to no less than one hundred sixty (160) hours in any twelve month (12) period.

12.5 For the purpose of this section the term "child" or "grandchild" includes a step-child, and a biological, adopted, and foster child.

ARTICLE 13

PROBATIONARY PERIOD:

13.1 All newly hired employees shall serve a twelve (12) month probationary period of continuous service. During such probationary period they shall not attain any seniority rights and shall be subject to dismissal for any reason without recourse to the grievance procedure.

13.2 Upon completion of the twelve (12) month probationary period, the employee shall be granted seniority rights from the date he was originally hired and shall be paid not less than wages paid in classifications as shown on attached schedule.

ARTICLE 14

SENIORITY:

- 14.1 The seniority of all employees covered by the terms of this Agreement shall begin with the employee's starting date of employment, provided, however, that no time prior to a discharge or quit shall be included. The employee's seniority shall not be diminished by temporary lay-off due to lack of work, shortage of funds or any other contingency beyond the control of either party to this Agreement.
- 14.2 The policy of seniority shall prevail to regular employees with full employment annually.
- 14.3 The seniority list shall be posted and kept up to date by the Employer. A copy of the up-to-date list shall be made available to the Secretary of Local No. 346. Said seniority list shall contain name and starting date of each employee.
- 14.4 Where qualifications and ability are equal, then seniority shall prevail.
- 14.5 Seniority shall prevail in the selection of newly established shifts or shift work.
- 14.6 Any Officer who holds the classification Sergeant or Detective Sergeant may elect to return to or transfer to either classification without loss of seniority and at the current salary of that classification. Transfers are subject to a vacancy or transfer opportunity and subject to approval of the Police Chief.
- 14.7 All officers with the classification of Sergeant or Detective Sergeant shall be equal in rank. In the event that the Police Chief and Police Commander(s) are unavailable, the Sergeant or Detective Sergeant with the most departmental seniority would become the ranking officer at the Police department.

ARTICLE 15

PROMOTIONS

- 15.1 It shall be the policy of the Employer to promote to the supervisory position, insofar as possible, from the ranks of the employees. Such supervisory positions shall be posted in locations consistent with city policy for a minimum of ten (10) days prior to filling said position and all applications submitted in writing by interested applicants. The promotional process shall be governed by the current city policy in effect at the time of application.
- 15.2 Seniority will be considered, but may not necessarily be the deciding factor in filling supervisory positions. Qualifying factors for candidates will also include the following:
 - a) Ability to perform related work
 - b) Attitude
 - c) Aptitude
 - d) Employment Record
 - e) Assessment of Leadership Skills

- 15.3 If requested in writing by an employee, the Employer will provide all unsuccessful applicants for a promotion with an explanation as to why they were not selected to the extent the Employer is not legally prohibited from providing such information.
- 15.4 The successful applicant shall have a six (6) month trial period in which to demonstrate his ability to perform the job. If during said period the Employer considers the employee unqualified, he shall be returned to his former position without loss of seniority rights. At any time during the trial period the employee may elect to return to his former position without loss of seniority rights, It is understood that if the employee elects this option that other employees serving a similar trial period may also be required to return to their previous position.
- 15.5 The Employer may make immediate temporary assignments to fill any supervisory vacancy while the job posting procedures are being carried out.

ARTICLE 16

NEW POSITIONS AND TRANSFERS

- 16.1 All new positions shall be posted in locations consistent with city policy for a minimum of ten (10) days prior to filling said position and all applications submitted in writing by interested applicants. Such notice shall state prerequisites for the position to be filled and said prerequisites shall be consistent with the requirements of the job.
- 16.1 In filling new positions, seniority will be considered, but may not necessarily be the deciding factor in filling positions. Qualifying factors for candidates will also include the following:
- a) Ability to perform related work
 - b) Attitude
 - c) Aptitude
 - d) Employment Record
 - e) Consistency with identified career goals
- 16.2 All grievances in connection with the filling of a job vacancy or new position shall be referred to the proper step of the grievance procedure of this Agreement.
- 16.3 The Employer may make immediate temporary assignments to fill any vacancy or new position while the job posting procedures are being carried out.
- 16.4 All patrol shift vacancies shall be posted on the bulletin board ten (10) days prior to filling said vacancy. Employees with an interest in filling a shift vacancy shall submit their request in writing to their assigned supervisor prior to the closing of the posting period. The Employer will review and consider the request when making shift assignments.

ARTICLE 17

SEPARABILITY AND SAVINGS CLAUSE:

- 17.1 If any Article or Section of this Contract or of any Riders thereto should be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained by such tribunal pending a final determination as to its validity, the remainder of this Contract and of any Rider thereto, or the application of such Article or Section to persons or circumstances other than those as to which it has been held invalid or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.
- 17.2 In the event that any Article or Section is held invalid or enforcement of or compliance with which has been restrained, as above set forth, the parties affected thereby shall enter into immediate collective bargaining negotiations, upon the request of the union, for the purpose of arriving at a mutually satisfactory replacement, pertaining to the same subject matter for such Article or Section during the period of invalidity or restraint.

ARTICLE 18

VACATIONS:

- 18.1 For the purpose of this paragraph and contract, a vacation week is described as a standard week provided for in this Contract. Vacation pay is defined as a regular rate of pay at which an employee is employed for a standard week or a standard day.
- 18.2 Eligibility:
Regular full-time employees shall accrue paid vacation leave according to the schedule detailed in Section 18.3. No other types of employees are eligible for or shall accrue vacation leave with pay. A probationary employee shall be eligible to use or be paid for accrued leave upon hire.
- 18.3 Amount:
Any eligible employee who has been continuously employed by the City shall be credited with vacation according to the following schedule:

| Years of Continuous Service | Hours/Vacation Pay Period | Maximum Year-end Hours per year | Carryover into the next year |
|-----------------------------|---------------------------|---------------------------------|------------------------------|
| 0-5 | 3.50 | 91 | 91 |
| 6-12 | 5.00 | 130 | 130 |
| 13-17 | 6.50 | 169 | 169 |
| 18-24 | 8.0 | 208 | 208 |
| 25 + | 9.50 | 247 | 247 |

During any calendar year there shall not be any limitation to the amount of vacation time that any employee may accumulate. Employees whose accrued leave exceeds

their cap on December 31 will lose all of the time that exceeds the cap.

18.4 Seniority as provided for in this Contract shall prevail in selecting vacation periods. Arrangements for dates and times of vacation shall be made between the Employer and Employee.

- A. Use: All vacations earned must be taken by employees and no employee shall be entitled to vacation pay in lieu of vacations except where agreed upon by the Employer.
- B. Terminal Leave: If an employee is discharged or leaves their work for their own benefit, they shall be compensated for all accrued and unused vacation at the date of separation.
- C. Schedule: Should the requested vacation time interfere with the operation, the Employer and employee will arrange vacation nearest to the desired time expressed by the employee that will not interfere with the operation.
- D. Accrual During Leave: An employee using earned vacation leave shall accrue vacation leave during such use. When a holiday or holidays shall occur during an employee's vacation, they shall not be required to use accrued vacation leave for those days.
- E. When Taken. Vacation leave may be used as earned, subject to the approval of the department head to the time at which it is taken.
- F. Requests. Requests for vacation and floating holidays submitted and processed prior to April 1st of each year will receive priority for approval. Unless contested prior to April 1st, such requests will remain approved and cannot be cancelled, modified or overridden by another on the basis of seniority.

18.5 Other: Conditions Affecting Accrual of Vacation. Vacation shall not accrue during leaves of absence unless required under State or Federal regulations.

ARTICLE 19

RETIREMENT:

19.1 The present retirement plan is to be maintained for each employee covered by this Agreement.

ARTICLE 20

HOLIDAYS:

20.1 Regular employees shall be paid eight (8) hours pay at straight time hourly rate of pay for the following eleven (11) holidays celebrated as such and when not worked:

| | | |
|----------------------------|-----------------|------------------------|
| New Year's Day | Memorial Day | Thanksgiving |
| Martin Luther King Jr. Day | Fourth of July | Day after Thanksgiving |
| Veteran's Day | President's Day | Christmas Eve Day |
| Labor Day | Christmas Day | |

One Floating Day with Supervisor's approval. Floating holiday to be paid at straight time for the length of the scheduled shift which shall not exceed twelve (12) hours.

20.2 Detectives shall be paid (8) hours pay at straight time hourly rate of pay for those holidays that land on a traditional weekend. Detectives will work those affected days when a holiday is observed by the Federal government at the regular rate of pay. For example, when Labor Day lands on a Sunday and all other Mon – Fri day shift employees are off on Monday in observance of Labor Day, Detectives will work their normal shift at regular pay.

*During contract
his equates to
1-day in 2018
and 1-day in 2020*

20.3 Employees, when working any holidays under the Agreement, shall receive time and one half (1 1/2) in addition to their regular rate of pay for all hours worked on such days.

ARTICLE 21

WEEKLY HOURS AND OVERTIME RATES:

21.1 The normal work year for full-time employees is two thousand eighty (2,080) hours to be accounted for by each employee through:

- a) hours worked on assigned shifts;
- b) holidays;
- c) assigned training;
- d) authorized leave time.

21.2 Nothing contained in this or any other ARTICLE shall be interpreted to be a guarantee of a minimum or maximum number of hours the EMPLOYER may assign employees.

21.3 Overtime pay at the rate of one and one half (1 1/2) times the regular rate of pay shall be paid for all hours worked in excess of the employee's regularly scheduled shift.

A. Hours used for mandatory training/education to maintain an officer's license (as identified as post required) will be paid at 1.5 the employee's regular rate of pay if not during an employee's regular scheduled shift. Hours used for all other training/education activities will be paid at the employee's regular rate of pay. Examples of Post required training include:

- a) Day Shoot – approximately 3 hours annually
- b) Night/Cold Weather Shoot – approximately 3 hours annually
- c) Use of Force Defense Tactics – approximately 3 hours annually
- d) Law Enforcement EVOC Driving – approximately 8 hours once every 5 years

21.4 The following procedure when scheduling replacements for an overtime shift shall be followed:

Sergeant:

- When a sergeant vacancy occurs, the overtime shift shall be replaced by seniority in this order:

- Patrol Sergeant
- Detective Sergeant

Corporals
Police Officer

- If both a sergeant and a police officer are off regardless of who created the vacancy, the vacant shifts shall be replaced per order as listed above.

Police Officer:

When a police officer vacancy occurs, the overtime shift shall be replaced by seniority in this order:

Corporals/Police Officers
Patrol Sergeant
Detective Sergeant

- When a police officer creates a vacancy, the overtime shift shall be replaced by seniority with a police officer.

- At no time shall a Sergeant/Detective Sergeant with more department seniority bump a police officer and take a police officer's overtime shift.

- At no time shall a police officer with more department seniority bump a Sergeant/Detective Sergeant and take a sergeant's overtime shift.

- 21.5 All positions shall have the right to bid for overtime by seniority when it is available for special events or projects outside "normal" scheduled shifts. Exceptions shall be made when an officer with specialized skills or training is needed for the overtime assignment. (ie. K9, major crimes, crime scenes)

REDUCTION OF WORK WEEK:

- 21.6 In the event that the maximum work week is reduced by legislative act or other governmental act, to a point below the regular work week provided herein, the rate of pay in the various classifications shall become open negotiations.

ARTICLE 22

STANDARD CALL-OUTS

- 22.1 Employees, when called to work before their scheduled start time or on scheduled days off WITHIN 12 HOURS OF THE VACANCY shall be paid as follows. It is also agreed that ALL call-outs shall be based on department seniority within the patrol division.
- A. Employees required to report to work before their scheduled start time or on scheduled days off will receive three (3) hours pay at one and one-half (1 1/2) times their hourly rate.
- B. Employees shall be paid one and one-half (1 1/2) times their hourly rate of pay for all hours worked before their regular scheduled start time.

- C. The employees' rate of pay shall be straight time during the period of their regular scheduled work day.
- D. Should an employee work beyond the regular schedule they shall receive pay in accordance with the provisions of Article 21, Weekly Hours and Overtime Rates, for actual time worked.

EMERGENCY CALL-OUT

22.2 When emergency call out is needed within 4 hours of an upcoming shift change, officers working the upcoming shift will be first and in order of seniority. CALL-OUTS SHALL be filled through the following procedure:

- A. When a Patrol Sergeant creates a vacancy, the CALL-OUT shift MAY be filled with a Patrol Sergeant FIRST. If a Patrol Sergeant declines or is not available, the shift MAY be filled with a Detective Sergeant. If a Detective Sergeant declines or is not available, the shift MAY be filled by a Police Officer/Corporal based upon seniority.
- B. When a Police Officer/Corporal creates a vacancy, the CALL-OUT shift MAY be replaced by a Police Officer/Corporal FIRST. Should a Police Officer/Corporal decline or is not available, the overtime shift MAY be filled with a Patrol Sergeant. If a Patrol Sergeant declines or is not available, the shift MAY be filled with a Detective Sergeant.

COURT TIME:

22.3 Court time shall be handled as a call out if not occurring during a regular scheduled shift.

- A. Should an employee be notified by the Court that a scheduled court hearing has been cancelled within 12 hours of the scheduled hearing the employee shall still receive the call out pay detailed in subsection 1 above.

ARTICLE 23

SICK LEAVE AND SEVERANCE PAY:

23.1 Regular full-time employees shall accumulate 4 hours of sick leave per pay period with no limit on maximum accumulation.

23.2 The Employer reserves the right to ask the employee for a note from a doctor excusing the absence as sick when deemed necessary by the Employer.

23.3 Sick leave and vacation shall be computed as time worked for future benefits.

23.4 Upon retirement employees shall receive 33% of accumulated sick leave, not to exceed 316 hours, to be paid at the employee's current rate of pay. Retirement means retirement of the employee after the employee's 50th birthday, the employee has

fifteen (15) years of accumulated active duty with the employer and is eligible for PERA retirement benefits.

ARTICLE 24

INJURY ON DUTY:

- 24.1 Employees injured during the performance of their duties for the EMPLOYER and thereby rendered unable to work for the EMPLOYER will be paid the difference between the employee's regular pay and Workers' Compensation insurance payments as long as the employee is eligible for Workers' Compensation insurance payments. The difference in pay shall be charged to the employee's vacation, sick leave or other accumulated paid benefits, after a three (3) working day waiting initial waiting period per injury. The three (3) working day waiting period shall be charged to the employee's sick leave account less Workers' Compensation insurance payments.
- 24.2 If the work related injury causes the employee to be unable to work for a period of 31 work days the employee shall continue to be paid his full salary for a period not to exceed one year, and this absence due to injury shall not be charged against the Employees accumulated sick leave. If an employee receives payment under Workers' Compensation, the employee's salary shall be reduced by the amount of Workers' Compensation payment.
- 24.3 The employee will accrue health and welfare and all other accrued benefits (except S.T.O.) on the same basis as he/she would accrue on active status unless otherwise limited as in the case of retirement benefit formulas.

ARTICLE 25

HEALTH & WELFARE

- 25.1 The Employer agrees to pay the cost of both the single plan and family plan in their present hospitalization plan which is now in effect according to the provisions of **this** Article. However, this Article is not to be construed as limiting the Employer to any set insurance carrier.
- 25.2 Each regular employee shall be covered under the Teamsters health Insurance Plan(s) for each employee who has been on the payroll thirty days (30) or more. Beginning January 1, 2018, any premium cost in excess of one thousand eighty-five dollars and forty-two cents (\$1,085.42) shall be paid thirty (30) percent by the employee and seventy (70) percent by the Employer. Effective January 1, 2019, the contribution shall increase from \$1,085.42 to one thousand ninety-five dollars and eighty-four cents (\$1,095.84). Effective January 1, 2020, the contribution shall increase from \$1,095.84 to one thousand one hundred and six dollars and twenty six cents (\$1,106.26). Such contributions shall be limited only for the premiums of the Teamsters Local 346 Health Plan E, Dental Plan G, and Vision Plan F. The figures contained herein are intended for the sole purpose to assists employees with these insurances. Under no circumstances will the City's overall contribution exceed 94% of an employee's premium cost.

- 25.2 A. Both parties agree to open the agreement for the discussion of Article 25 – Health and Welfare, if the Teamsters make coverage changes available during the term of this agreement. The Union will inform the City of any such coverage options and agreement must be reached between the Union and the City prior to the City being obligated to any change in City share of expense.
- 25.3 By the execution of this Agreement the City authorizes the Employers Association which are party hereto to enter into appropriate trust agreements necessary for the administration of such fund, and to designate the Employer Trustees under such Agreement, hereby waiving all notice thereof and ratifying all actions already taken or to be taken by such Trustees within the scope of their authority.
- 25.4 Claims-Against the Employer: The parties agree that any description of insurance benefits contained in this Article are intended to be informational only and the eligibility of any employee for benefits shall be governed by the terms of the insurance policy. It is further understood that the Employer's only obligation is to pay such amounts as agreed to herein and no claim shall be made against the Employer as a result of a denial of insurance benefits by an insurance carrier.
- 25.5 Duration of Insurance Contribution: An employee is eligible for Employer contributions as provided in this Article as long as the employee is employed by the Employer. Upon termination of employment, all insurance benefits shall cease as well as all employer participation and contribution shall cease effective on the first working day.
- 25.6 Employer agrees to provide insurance to protect officers in the event that officers are charged with false arrest, etc. up to the maximum of exposure of Minnesota Statutes 466.01 et. seq. or the maximum of the City's insurance coverage, whichever is greater.
- 25.7 In the event the health insurance provisions of this agreement fail to meet the requirements of the Patient Protection and Affordable Care Act (ACA) and its related regulations or cause the Employer to be subject to a penalty, tax or fine, the union and the Employer will meet immediately to bargain over alternative provisions, as it applies to health insurance, so as to comply with the Act and avoid penalties, taxes or fines for the employer. Either party to the Agreement that requests a reopener under this Section shall be obligated to provide specific documentation as to the provision of the ACA that is cause for the requested reopener at the time such request is made.

DELINQUENT PAYMENT:

- 25.8 Notwithstanding anything herein contained, it is agreed that in the event the City is delinquent at the end of a period in the payment of its contribution to the Teamsters Local 346 Health Plan E, Dental Plan G and Vision Plan F, Lincoln National Life Insurance Company and the Public Employees Retirement Association, the Local Union shall have the right to take such legal action as they deem necessary until such delinquent payments be made, and it is further agreed that in the event such action is taken, the city shall be responsible to the employees for losses resulting there from.

LIFE INSURANCE:

25.9 Each regular employee shall be insured with a \$50,000 term life insurance policy.

ARTICLE 26

SHIFT DIFFERENTIAL:

- 26.1 Employees that begin a shift from 6:00 p.m. to 6:00 am shall receive in addition to regular pay a shift differential of \$0.80 per hour for each hour worked during that timeframe.
- 26.2 Employees that begin a shift from 1:00 p.m. to 6:00 pm shall receive in addition to regular pay a power shift differential of \$.40 per hour for each hour worked during that time frame.

ARTICLE 27

WAGES AND CLASSIFICATIONS:

- 27.1 Wages and classifications shall be attached to this Agreement as an appendix "A".
- 27.2 New hires/promotions - Per city policy new hires can be hired and placed anywhere on the step plan based upon their education, experience and skills. Further, the policy allows for an employee exceeding expectation as part of their annual evaluation to advance multiple steps. Thus timing flexibility is built into the 9 step plan addressing the concern of union. Current employees promoted to the position of Sergeant or Detective shall during the term of the contract be placed upon the plan at the same wage as individuals in similar positions and progress through the plan as detailed above.

ARTICLE 28

UNIFORMS:

- 28.1 The Employer is to maintain the same uniform program that is in effect at the signing of this Agreement.

ARTICLE 29

LONGEVITY:

- 29.1 In addition to base salary, effective January 1, 2009, employees shall receive longevity pay according to the following schedule:

| <u>Percent of Base Salary</u> | <u>Anniversary of Employment</u> |
|-------------------------------|----------------------------------|
| 2.0% | after 5 th |
| 2.5% | after 10 th |
| 3.0% | after 15 th |
| 3.5% | after 20 th |

ARTICLE 30

CANINE OFFICER PAY

30.1 A Police officer assigned by the Employers as Canine Officer shall receive one-half (1/2) hour straight time pay at their regular hourly base wage rate for days the employee is scheduled for duty. For those days, the employee is not scheduled for duty the employee shall receive one-half (1/2) hour of compensation at one and one-half (1 ½ x) their regular hourly base wage rate. No extra compensation shall be provided for days the employee does not have the dog at home or for days they do not personally care for the dog when the dog is kenneled at the City's expense.

*Incorporate's
existing LOR -
only*

ARTICLE 31

JOB TRANSFER:

31.1 When employees are assigned to work in a higher classification, the employee shall receive the higher rate of pay for each hour such work is performed. At no time shall employees receive rates of pay that are lower than their classification pay schedule.

ARTICLE 32

WAIVER

- 32.1 Any and all prior agreements, resolutions, practices, policies, rules and regulations regarding terms and conditions of employment, to the extent inconsistent with the provisions of this AGREEMENT, are hereby superseded.
- 32.2 The parties mutually acknowledge that during the negotiations which resulted in this AGREEMENT, each had the unlimited right and opportunity to make demands and proposals with respect to any terms or conditions of employment not removed by law from bargaining. All agreements and understandings arrived at by the parties are set forth in writing in this AGREEMENT for the stipulated duration of this AGREEMENT. The EMPLOYER and the UNION each voluntarily and unqualifiedly waives the right to meet and negotiate regarding any and all terms and conditions of employment referred to or covered in this AGREEMENT or with respect to any term or condition of employment not specifically referred to or covered by this AGREEMENT, even though such terms or conditions may not have been within the knowledge or contemplation of either or both parties at the time this contract was negotiated or executed.

ARTICLE 33

DURATION

This Agreement shall be effective from the 1st day of January 2018, and effective up to and including the 31st day of December, 2020, and shall automatically renew itself thereafter, until and unless either party, at least one hundred eighty (180) days before the 31st day of December, 2020, notifies the other party in writing that it desires to terminate or modify the Agreement. If the notice given is one expressing an election to terminate the Agreement, it shall then expire December 31, 2020. If the notice is one of modification, the parties shall then begin negotiations on the proposed modification, as soon as possible after such notice has been given. During the period of negotiations on the modifications, the terms and conditions of the Agreement on which there was no request for modification shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT on this _____ day of _____, 2017.

FOR: THE CITY OF CLOQUET

FOR: TEAMSTERS GENERAL LOCAL UNION No. 346

By: _____

Dave Hallback
Mayor

By: _____

Secretary-Treasurer

By: _____

Aaron Reeves
City Administrator

By: _____

President

Appendix "A" Wages Proposals

Increase the Compensation Schedule based upon the following:

January 1, 2018

- On 1/1/18 all employees shall receive a 3% pay raise
- On January 1, based upon the satisfactory completion of the employee's annual performance evaluation, an employee shall be eligible to move to the next step in the pay plan.

January 1, 2019

- On 1/1/19 all employees shall receive a 3% pay raise
- On January 1, based upon the satisfactory completion of the employee's annual performance evaluation, an employee shall be eligible to move to the next step in the pay plan.

January 1, 2020

- On 1/1/20 all employees shall receive a 3% pay raise
- On January 1, based upon the satisfactory completion of the employee's annual performance evaluation, an employee shall be eligible to move to the next step in the pay plan.

Trainer Pay:

- Field training officer's incentive pay shall be \$4.00 per hour worked as field training officer during any work shift that they are recorded as a field training officer in writing by the Chief or his/her designee.
- Trainer - Effective upon ratification, an employee who is assigned, by written order of the Chief, to be a department trainer in the subjects of firearms proficiency, defensive tactics, or other areas as determined by the Chief, shall receive \$4.00 per hour for time worked as a trainer during any work shift in which the employee does planned and approved training work.



ADMINISTRATIVE OFFICES

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email: admin@ci.cloquet.mn.us
www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: James Barclay, Assistant City Administrator & HR Director
Reviewed by: Aaron Reeves, City Administrator *AR*
Date: January 8, 2018

ITEM DESCRIPTION: AFSCME Labor Agreement - Tentative Settlement

Proposed Action

Staff recommends that the City Council move to approve the three-year Labor Agreement between AFSCME and the City and authorizes the Mayor and City Administrator to execute such Agreement.

Background/Overview

The City's Labor Agreement with AFSCME expired on 12/31/17. This was a three-year Agreement negotiated in 2014. Since late 2017, the City has been negotiating with this unit on a variety of terms and conditions of employment.

The Union and City have reached a tentative Agreement. The union voted to endorse and accept the proposed settlement at a meeting in late December. While a number of language and other format issues are being addressed in this Agreement, the key changes of the settlement are highlighted in yellow on the attached draft agreement.

Policy Objectives

There are two critical statutory laws that the City must follow that relates to collective bargaining and pay. The Minnesota Public Employment Labor Relations Act (MNPELRA), MN Statutes §179A, is the primary law governing public sector collective bargaining. This law defines rights and obligations of employers and employees during union activities.

The second law which is critical is the Minnesota Pay Equity Act. This act requires that each local government analyze its pay structure for evidence of inequities. The City of Cloquet is required to report its wage and benefit results to the State of Minnesota every three years to assure that it is in compliance with this Act.

The City, in 2008, hired Springsted to analyze the City's pay structure and plan. This study represented a thorough and comprehensive review of all aspects of the City's classification compensation system. The recommendations offered in this study provided increased internal equity among positions and assured compliance with the Pay Equity Act. The City has budgeted to conduct a new analysis in 2018.

The proposed contractual changes are consistent with the philosophy of the plan as originally adopted by the City in 2008.

Financial/Budget/Grant Considerations

The proposed settlement is straightforward. Wages are proposed to increase 3% for each year, 2018, 2019 and 2020. The City has also tentatively agreed to a \$100 safety boot allowance for selected workers.

Advisory Committee/Commission Action

The City negotiating committee has recommended its support for approval of the proposed settlement.

Supporting Documentation Attached

- Tentative settlement terms.

A G R E E M E N T

BETWEEN

THE CITY COUNCIL OF CLOQUET, MINNESOTA

AND

**THE AMERICAN FEDERATION OF STATE, COUNTY
AND MUNICIPAL EMPLOYEES, AFL-CIO**

LOCAL UNION NO. 545

JANUARY 1, 2018 - DECEMBER 31, 2020

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CITY OF CLOQUET AND LOCAL NO. 545

UNION AGREEMENT

The City of Cloquet, Minnesota, hereinafter called "Employer," and Local No. 545 of Minnesota Council 65, American Federation of State, County and Municipal Employees, AFL-CIO, hereinafter called "Union," enter into the following agreement:

ARTICLE I **PURPOSE OF AGREEMENT**

The intent and purpose of this Agreement is to:

- (a) Establish certain hours, wages, and other conditions of employment; and
- (b) Establish procedures for the resolution of disputes concerning the interpretation and/or application of this Agreement.

It is the continuing policy of the City and the Union that the provisions of this Agreement shall be applied to all Employees without regard to race, color, religious creed, national origin, sex or age. The representatives of the City and the Union in all steps of the grievance procedure and in all dealings between the parties shall comply with this procedure.

ARTICLE II **RECOGNITION**

Section 1.

The Employer, for purposes of this Agreement, recognizes the Union as the exclusive bargaining representative of all classified Employees in the classes of positions as named herein in Article VIII and all other Employees subsequently hired in such positions.

Section 2.

All Employees employed by the City of Cloquet, Cloquet, Minnesota, who are public Employees within the meaning of Minnesota Statute 179A.03, Subdivision 14, as amended, excluding supervisory, confidential and essential Employees.

ARTICLE III **WAIVER**

Section 1.

Any and all prior agreements, resolutions, practices, policies, rules and regulations regarding terms and conditions of employment, to the extent inconsistent with the provisions of this Agreement, as hereby superseded.

Section 2.

This contract shall not be renegotiable during the term thereof and is intended to include only terms, grievance provisions, conditions and compensation for employment as provided for by the Public Employees Labor Relations Act.

Section 3.

The parties mutually acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any terms or conditions of employment not removed by law from bargaining. All agreements and understandings arrived at by the parties are set forth in writing in this agreement for the stipulated duration of this agreement. The Employer and the Union each voluntarily and unqualifiedly waives the right to meet and negotiate regarding any and all terms and conditions of employment referred to or covered in this agreement or with respect to any term or condition of employment not specifically referred to or covered by this agreement, even though such terms or conditions may not have been within the knowledge or contemplation of either or both parties at the time this contract was negotiated or executed, unless they mutually agree to do so.

ARTICLE IV **PAYMENT OF DUES**

Section 1. Deduction of Dues:

Upon receipt of written notice from an Employee to deduct from their salary the monthly Union dues, the Employer shall make such payroll deduction and remit same to the Financial Secretary of the Union.

Section 2.

All public Employees who are not members of the exclusive representative may be required by said representative to contribute a fair share fee for services rendered by the exclusive representative in an amount equal to the regular membership dues of the exclusive representative, less the cost of benefits financed through the dues and available only to members of the exclusive representative, but in no event shall the fee exceed 85 percent of the regular membership dues. The exclusive representative shall provide advance written notice of the amount of the fair share fee assessment to the director, the Employer, and to a list furnished by the Employer of all Employees within the unit. A challenge by an Employee or by a person aggrieved by the assessment shall be filed in writing with the director, the public Employer, and the exclusive representative within thirty (30) days after receipt of written notice. All challenges shall specify those portions of the assessment challenged and the reasons therefore, but the burden of proof relating to the amount of the fair share fee shall be on the exclusive representative. The Employer shall deduct the fee, and any other union deduction, from the earnings of the Employee and transmit the fee to the exclusive representative thirty (30) days after the written notice was provided or, in the event a challenge is filed, the deductions for a fair share fee shall be held in escrow by the Employer pending a decision by the director pursuant to Section 3 of P.E.L.R.A.

ARTICLE V
EMPLOYER RIGHTS

Section 1.

The Employer retains the full and unrestricted right to operate and manage all manpower, facilities and equipment; to establish functions and programs; to set and amend budgets; to determine the utilization of technology; to establish and modify the organizational structure; to select, direct and determine the number of personnel; to establish work schedules, and to perform any inherent managerial function not specifically limited by this Agreement.

Section 2.

The Union recognizes that all Employees covered by this Agreement shall perform the services and duties prescribed by the Employer and shall be governed by the Employer rules, regulations, directives and orders, issued by the Employer, providing that such rules, regulations, directives and orders are not inconsistent with the provisions of this Agreement.

ARTICLE VI
EMPLOYEE RIGHTS

Section 1. Right to View.

Nothing contained in this Agreement shall be construed to limit, impair or affect the right of any Employee or their representative to the expression or communication of a view, grievance, complaint or opinion on any matter related to the conditions or compensation of public employment or their betterment, so long as the same is not designed to and does not interfere with the full, faithful and proper performance of the duties of employment or circumvent the rights of the Union.

ARTICLE VII
CLASSIFICATION OF DEPARTMENTS

The classification of departments shall be as follows:

- (a) Office and Clerical
- (b) Street
- (c) Utilities
- (d) Mechanical
- (e) Engineering
- (f) Parks
- (g) Building Maintenance and Grounds

ARTICLE VIII
SENIORITY

Section 1.

Seniority of new Employees shall not begin until after thirty (30) days of continuous service, at which time their seniority shall commence from the date of hiring.

Section 2.

Seniority rights shall be determined by the period of continuous employment, but no rights shall accrue by virtue of previous employment which has been voluntarily disrupted.

Section 3.

When an Employee is absent because of sickness or accident, seniority in such cases shall accrue without interruption. An Employee shall be reinstated to their former position if physically fit.

ARTICLE IX
PROBATIONARY PERIOD

Section 1.

All employees will have a one (1) year probationary period in any job classification in which the employee has not served a probationary period.

Section 2.

At any time during the probationary period, a new hired or rehired Employee may be terminated at the sole discretion of the Employer.

Section 3.

At any time during the probationary period, a promoted or reassigned employee may be demoted or reassigned to the employee's previous position at the sole discretion of the Employer. If the promoted or reassigned Employee desires to return for justifiable reasons to his/her previous position, he/she must indicate the reasons(s) in writing within ninety (90) working days after being promoted/transferred.

Section 4.

Should an Employee wish to give up their position at any time after their promotion has become permanent, they shall revert to the lowest position in the department, provided there is an opening in such position, and shall become the lowest Employee in the department in terms of promotional seniority, and they may post for any job. If there is no opening in the department, they shall become next in line for the lowest position in the department in terms of promotional seniority.

Section 5. Regular Part-Time Employees.

All employees hired into a regular part-time position who are original hires, or rehires following separation, shall serve a probationary period of 1040 hours of active work (which does not include time spent on a leave of absence except as may be required by law and does not include overtime or unscheduled work). The employer may extend this probation for a period of time upon notice to the employee and Union.

ARTICLE X
PROMOTIONS

Section 1.

All vacancies for permanent job openings will be posted for a period of five (5) working days.

Section 2.

Employees interested in making application for such posted vacancies shall do so within the five (5) day posted period. All Employees making an application shall be considered for the vacancy.

Section 3.

When promoting because of vacancies or new positions, the oldest in point of service in the department shall be given preference, ability and efficiency being taken into consideration.

Section 4.

Employees filling a higher job class based on the provisions of this Article shall be subject to the conditions of Article IX, "Probationary Period."

Section 5.

Promotions in departments shall be as follows:

Street Department

Heavy Equipment Operator

Truck Driver/Maintenance Person

Mechanical Department

Fleet Services Supervisor

Service Technician

Utilities Department

Lead Pumphouse Operator

Qualified Pumphouse Operator

Relief Pumphouse Operator

Truck Driver/Utility Maintenance Person

Engineering Department

Engineering Technician Grade II

Engineering Technician Grade III

Office and Clerical

Administrative Police Secretary

Utility Billing Clerk/Receptionist

Public Works Secretary

Clerk

Accountant 1

Building Maintenance & Grounds

Chief Custodian

Parks Department

Parks Maintenance Person

At the time of hire, all employees shall be assigned to one of the departments listed above. Such employees shall be utilized within the departments that they are assigned, however, they may perform duties and functions consistent with their job descriptions in other departments as needed.

Seasonal Employees and hourly Employees shall not be classified in any department for promotional or departmental seniority.

ARTICLE XI
WORKING OUT OF CLASSIFICATION

Employees assigned by the Employer to assume the full responsibilities and authority of a higher job classification for a period of over four (4) hours duration in the morning or three and one-half (3-1/2) hours in the afternoon shall receive the salary schedule of the higher classification for the duration of the assignment.

Employees assigned by the Employer to assume additional supervisory duties in the absence of the Street/Park Superintendent shall receive an additional pay differential of \$2.00 per hour.

Employees assigned by the Employer to assume additional supervisory duties in the event both the Utility Maintenance Supervisor and the Assistant Utility Maintenance Supervisor are absent from work at the same time, the employee assigned to assume those duties shall receive an additional pay differential of \$2.00 per hour

ARTICLE XII
TEMPORARY RELIEF OPERATOR AT STATION II

Article XII - Incorporate existing LOM language.

When the Union or City assigns an employee to fill a shift at Station II (hereinafter referred to as the "Pumphouse"), the employee will fill the requested forty (40) hour shift. The employee will assume the normal duties as described in the Relief Pumphouse Operator job description.

Employees assigned to work the shift will receive the pay of Relief Pumphouse Operator to include night differential pay (if applicable), unless their current rate of pay is higher.

The employee called upon to work the shift will not be eligible for overtime or comp time by working at the Pumphouse. First chance at overtime or comp time is reserved for regular full time Pumphouse employees. Emergency in-town call outs received by the employee during the week of the requested shift will still be allowed, as long as it does not conflict with the hours of the shift.

The Temporary Work Assignment will be determined by seniority at the discretion of the Supervisor.

If the shift is Friday through Sunday night shift at the Pumphouse, the Temporary Relief Operator will not work the following Monday in town. As the pay period ends Sunday night at Midnight the last eight hours of this shift goes on the next week's pay period. An eight-hour shift will be worked in town Monday through Thursday prior to the Friday through Sunday Temporary Work Assignment to allow employee to achieve the forty-hour work week. If Friday through Sunday shift occurs during "Summer Hours," the employee will have the opportunity to make up the one lost time hour during the following Tuesday through Friday.

ARTICLE XIII
DISCIPLINE

The Employer shall discipline Employees for just cause only.

ARTICLE XIV
LAY OFF

Section 1.

Employees shall be laid off on the basis of job classification seniority.

Section 2.

A senior Employee may exert their seniority preference over a junior Employee in any classification of work, provided they have the necessary qualifications to perform the duties of the job involved (as determined by the Employer). Such Employee shall not be required to fulfill the probationary period, as described in Article IX, then bumping another Employee due to lay off.

Section 3.

Employees laid off by the Employer shall retain recall rights for a period of eighteen (18) months.

ARTICLE XV
WORK SCHEDULE

Section 1.

The basic work week shall be five (5) eight (8) hour days per week, Monday through Friday. The normal work day at Public Works shall be from 7:30 a.m. to 4:00 p.m.

All other departmental work days and/or weeks shall be determined upon mutual agreement between the employer and employee and/or departmental work group. The employer and employee and/or departmental work group may mutually agree to alter the normal work week in order to provide flexibility in scheduling work. The workday and the workweek may be changed by mutual agreement between the employer and employee and/or departmental work group to exceed eight (8) hours in a normal work day. In that event overtime shall be paid for all hours in excess of forty (40) hours in the workweek or in excess of the mutually agreed upon amount of hours per day.

Individual employees alternative work schedules are not guaranteed and in all cases approval of individual employee's alternative work schedules would be at the sole discretion of the employer and would only be subject to the grievance procedures of this contract up to and including step 3, but no further.

Section 2.

All employees shall be granted a fifteen (15) minute rest period in the morning and a ten (10) minute rest period in the afternoon.

Section 3.

Department heads shall use discretion in weather of twenty degrees below zero (-20) or more so that undue hardship shall not be created by causing them to work in inclement weather or under extreme adverse conditions, except in cases of emergency.

ARTICLE XVI OVERTIME

Section 1.

Hours worked in excess of a scheduled shift (see Article XV - Work Schedule) will be compensated for one and one-half (1-1/2) times the Employee's regular base pay rate.

Section 2.

All work performed on Sundays and holidays, except the regular scheduled work performed at the pumphouse, shall be paid on the basis of double time. Pumphouse employees shall receive time and one half (1 - 1/2) per hour for each holiday worked, in addition to time off as stated in Article XVIII Holidays, Section 5.

Section 3.

Overtime will be distributed as equally as practicable.

Overtime refused by Employees will, for record purposes under Article XVI, Section 3, be considered as unpaid overtime worked.

For the purpose of computing overtime compensation, overtime hours worked will not be pyramided, compounded or paid twice for the same hours worked.

ARTICLE XVII CALL TIME

Any Employee called to work shall receive no less than two (2) hours call time at time and one-half (1-1/2), plus two (2) hours overtime pay in accordance with Article XVI.

An extension of or early report to a regularly scheduled shift does not qualify for the two (2) hour minimum. In the event that an Employee is given more than five (5) hours notice of reporting time, he shall not receive the benefits of call time

Employees shall be compensated two (2) hours of call time, at time and one-half, in the event the employees are given less than two (2) hours' notice of call-off.

ARTICLE XVIII VACATIONS

Section 1. Eligibility.

Regular full-time employees shall accrue vacation leave according to the schedule detailed in Section 2. Part-time employees shall accrue vacation leave as detailed under Article XXIII. No other types of employees are eligible for or shall accrue vacation leave with pay. A probationary employee shall be eligible to use or be paid for accrued leave upon hire.

Section 2. Amount.

Any eligible employee who has been continuously employed by the City shall be credited with vacation according to the following schedule:

| <u>Years of Continuous Service</u> | <u>Hours/ Pay Period</u> | <u>Vacation Hours per year</u> | <u>Maximum Year-end Carryover into the next year</u> |
|------------------------------------|--------------------------|--------------------------------|--|
| 0-5 | 3.50 | 91 | 91 |
| 6-12 | 5.00 | 130 | 130 |
| 13-17 | 6.50 | 169 | 169 |
| 18-24 | 8.0 | 208 | 208 |
| 25 + | 9.50 | 247 | 247 |

During any calendar year there shall not be any limitation to the amount of vacation time that any employee may accumulate. Employees whose accrued leave exceeds their cap on December 31 will lose all of the time that exceeds the cap.

Section 3. Conditions Affecting Accrual of Vacation.

Vacation shall not accrue during leaves of absence unless required under State or Federal regulations.

Section 4. When Taken.

Vacation leave may be used as earned, subject to the approval of the department head to the time at which it is taken.

Section 5. Terminal Leave.

If an employee is discharged or leaves their work for their own benefit, they shall be compensated for all accrued and unused vacation at the date of separation.

Section 6. Accrual During Leave.

An employee using earned vacation leave shall accrue vacation leave during such use. When a holiday or holidays shall occur during an employee’s vacation, they shall not be required to use accrued vacation leave for those days.

ARTICLE XIX
HOLIDAYS

Section 1.

The following legal holidays shall be observed:

| | |
|------------------------|------------------------|
| New Year's Day | Labor Day |
| Martin Luther King Day | Veteran's Day |
| President's Day | Thanksgiving Day |
| Memorial Day | Day after Thanksgiving |
| July 4th | Christmas Eve Day |
| 1 Floating Holiday | Christmas Day |

There shall be no banking or carryover from year to year of any holiday listed above.

Section 2.

If a holiday falls on a Saturday, the preceding Friday shall be considered a legal holiday. If a holiday falls on a Sunday, the following Monday shall be considered a legal holiday. The exception to this is the pumphouse, where the actual legal holiday will be considered the legal holiday.

Section 3.

Any Saturday, immediately preceding a holiday as herein defined, may be substituted with pay at the regular rate for a Monday if the following Tuesday is a holiday; for Thursday if the following Friday is a holiday; or Friday if the preceding Thursday is a holiday, if such substitution is agreed upon between the department head and the executive committee of the Union and then only if it is made applicable to the entire department. Notice thereof must be posted three (3) days prior to the substitution.

Section 4.

Employee must be working or on paid leave the last regular working day before holiday and first regular working day after holiday or holiday pay is forfeited.

Section 5.

Pumphouse Employees shall receive ninety-six (96) hours off in place of the twelve (12) eight hour holidays. These may be taken at such times as approved by the department head. There shall be no banking or carryover from year to year of any of these hours.

ARTICLE XX
SICK LEAVE

Section 1.

Regular full-time employees shall accumulate four (4) hours of sick leave per pay period to a maximum accumulation of nine hundred sixty (960) hours. Sick leave accumulation beyond the nine hundred sixty (960) hours shall be banked in a separate individual catastrophic sick leave account to be used only when that Employee's regular sick leave is completely exhausted in the case of a major illness or medical problem of the Employee or Employee's family member as defined under Section 2 which results in the Employee being unable to work for a period of 31 days or more.

Section 2.

Employees shall also be allowed to use sick leave for absence necessitated by the inability of the Employee to perform the duties of his/her position by reason of illness or injury, by necessity of medical, optical, or dental care for the Employee, or by exposure to contagious disease.

Further, an Employee shall also be allowed to use up to 160 hours of sick leave in any 12 month period for absences due to illness or injury of the Employee's spouse (husband, wife), siblings, parents (biological, adoptive, and/or foster mothers, fathers, and step parents), mother-in-law, father-in-law, grandchild, grandparents, children (sons and daughters including biological, adopted, or foster children, stepchildren, and legal wards under age 18) and other members of the

employee's household for such reasonable periods as the Employee's attendance may be necessary.

Section 3.

Each Employee shall have available two (2) days of funeral leave per year to be used for death in the Employee's immediate family as described in Section 9. This benefit shall not accrue from year to year and is separate from sick leave. After the two (2) days of leave are exhausted, additional sick leave allowance for a death in an Employee's immediate family shall be up to three (3) days per occurrence for any distance less than 250 miles and five (5) days for anyone who has to travel more than 250 miles to a funeral for an immediate family member. The maximum number of days off per occurrence is five (5) days.

Section 4. Worker's Compensation.

Employees injured during the performance of their duties for the Employer and thereby rendered unable to work for the Employer will be paid the difference between the Employee's regular pay and Workers' Compensation insurance payments as long as the Employee is eligible for Workers' Compensation insurance payments. The difference in pay shall be charged to the Employee's sick leave, vacation, or other accumulated paid benefits, after a three (3) working day initial waiting period per injury. The three (3) working day initial waiting period shall be charged to the Employee's sick leave account less Workers' Compensation insurance payments unless the Employee elects not to use accrued sick leave and opts to not be paid for this time.

Section 5.

An Employee who acts as pallbearer at any funeral may use one of their accrued sick leave days for the duty, provided they are not already taking the day off under sick leave allowance for a death in the family.

Section 6.

All claims for pay for absences, including sick leave, must be reported on the forms provided by the Employer.

Section 7.

Misuse of sick leave benefits shall be just cause for disciplinary action and/or discharge.

Section 8.

Employees shall be allowed on a voluntary basis, to transfer sick leave from their accrued unused sick leave account to that of another employee in need consistent with the city's Leave Donation Policy.

Section 9

Immediate Family Definition: Immediate family shall be defined as follows: Father, Mother, Brother, Sister, Wife, Husband, Daughter, Son, Mother-in-Law, Father-in-Law, Son-in-Law, Daughter-in-Law, Brother-in-Law, Sister-in-Law, Grandparents, and Grandchildren.

ARTICLE XXI
SEVERANCE

Section 1.

Upon retirement employees shall receive 33% of accumulated sick leave, not to exceed three hundred sixteen (316) hours, to be paid at the Employee's current rate of pay. Retirement means retirement of the employee after the employee's 50th birthday, the employee has fifteen (15) years of accumulated active duty with the employer and is eligible for PERA retirement benefits.

All employees employed by the City prior to 1/1/04 shall qualify and be eligible for the benefit described under this Section. The City, therefore, waives the time period for years of accumulated active duty for only these employees, provided that they meet the requirements of age and PERA retirement benefit eligibility.

The severance payment will be split equally with 50% being contributed to the Employee's individual HCSA and 50% being paid as a lump sum cash payment to the Employee. For only those Employees retiring that are eligible for TRICARE, CHAMPUS, or VA benefits, the Employee at their election, may elect to instead receive the full severance payment as a cash payout instead of a payment to a HCSA as permitted with the approval of the HCSA provider.

Section 2.

In the event of the death, payment shall be made to the Employee's designated beneficiary or to the Employee's estate.

Section 3.

An Employee discharged for just cause or terminated as a result of just cause discipline and/or leaves without the required two (2) week notice to the Employer will be ineligible for severance pay.

ARTICLE XXII
INSURANCE

Section 1. Life Insurance.

Each regular employee shall be insured with a \$50,000 term life insurance policy.

Section 2. Health Insurance.

The City will offer a group health insurance plan. All plan provisions are governed by the Summary Plan Description (SPD) and not by the labor contract.

Section 2a. Premium.

The City shall pay a minimum of eighty (80%) percent of the monthly premium for single coverage and a minimum eighty (80%) percent of the monthly premium for family coverage as offered by the City. The City shall deduct from each eligible and enrolled Employee's salary or wages the remaining amount but not more than twenty (20%) percent of such premiums.

The City share of such premium will equal the amount agreed to in the 2018 plan year or

New language incorporated into Health Care Plan this week 4/13/18 Savings for City

80% whichever is greater.

Section 2b. Plan Opt Out.

An employee may opt out of the City's health insurance plan upon provision of proof of other health insurance coverage during an annual open enrollment period each year. Employees electing to opt out shall receive a \$187.50 quarterly payment (\$750 total per year) paid with the last payroll of each quarter. An employee may only re-enroll in the health plan upon a qualifying event as determined by the IRS and/or health insurance carrier. Upon re-enrollment, no further payments shall be made to the employee and no reimbursement of previous payments shall be required. The quarterly payment shall be made to the employee's existing HRA account. In the case the employee/employee's spouse is otherwise contributing to an HSA the payment shall be made to the employee's deferred compensation account. Failure to meet opt-out criteria during the City's annual open-enrollment period will result in automatic enrollment in single insurance coverage.

Section 3. Dental Insurance.

Each regular Employee (including spouse and children) will be covered by an 80/20 dental plan, which shall be paid at the sole cost of the Employer. The Employer shall choose the company and the plan in accordance with bidding procedures required by the laws of the State of Minnesota.

Section 4. Eligible Employees.

The parties agree that only full time Employees shall be eligible for insurance benefits as provided in this Article.

Section 5. Claims Against the Employer.

The parties agree that any description of the insurance benefits contained in this Article are intended to be informational only and the eligibility of any Employee for benefits shall be governed by the terms of the insurance policy. It is further understood that the Employer's only obligation is to pay such amounts as agreed to herein and no claim shall be made against the Employer as a result of a denial of insurance benefits by an insurance carrier.

Section 6. Health Care Savings Plan.

The City shall create a Health Care Savings Plan (HCSP) available to all members of the AFSCME unit. For Employees employed by the City prior to December 31, 2008 the City agrees to contribute a one-time lump sum payment of \$25,000 to the Employee's individual HCSA upon the Employee's retirement from the City. Retirement means retirement of the Employee after the employee is eligible for PERA retirement benefits.

For only those Employees retiring that are eligible for TRICARE, CHAMPUS, or VA benefits, the Employee at their election, may elect to instead receive the \$25,000 lump sum payment as a cash payout instead of a payment to a HCSA as permitted with the approval of the HCSA provider.

Employees hired after 1/1/2009 shall not be eligible for nor receive the \$25,000 lump sum payment at retirement.

Section 7.

The selection of the insurance carrier and policy for life, dental, and health insurances shall be made by the City.

Section 8. - Patient Protection and Affordable Care Act (ACA)

Final regulations have not been issued under many provisions of the Patient Protection and Affordable Care Act (ACA). This creates considerable uncertainty regarding the Employer's financial obligations as well as maintaining the aggregate level of benefits as provided for in the CBA. This agreement may be reopened and all material terms of compensation, hours, and fringe benefits (includes health benefits) shall be subject to negotiations if in fact changes are necessary to comply with the ACA. Either party to the Agreement that requests a reopener under this provision shall be obligated to provide specific documentation as to the provision of the ACA that is cause for the requested reopener at the time such a request is made.

ARTICLE XXIII **SAFETY BOOTS**

The City will reimburse a maximum of \$100 towards the purchase of safety-toed boots on an annual basis. If an employee chooses to take advantage of the program, the boots must be worn during all working hours unless working conditions dictate the use of an alternate form of employer provided footwear. Approval will be based on need as determined by the Employer.

The required minimum protective footwear includes work boots that provide ankle support, are made with an all leather upper (and tongue), are oil resistant, slip resistant, and conform to the American Society for Testing and Materials (ASTM) standard ASTM F2413-11 for Steele/composite toe leather work boots.

ARTICLE XXIV **PART TIME EMPLOYEES**

Section 1. Definitions

- a) Regular Employee - An Employee who is regularly scheduled for a set number of hours per week. The work he or she performs is of an on-going nature. However, nothing in this definition grants a regular employee a vested right to a defined number of hours or continued employment.
- b) Regular Full-time Employee - An Employee in a classified bargaining unit position who is regularly scheduled to work 40 hours per week and has successfully completed the probationary period.
- c) Regular Part-time Employee - An Employee in a classified bargaining unit position who is regularly scheduled to work at least 20 hours per week and less than 40 hours per week and has successfully completed the probationary period.
- d) Temporary Employee - An employee who is not in a classified bargaining unit position because the employment is limited by duration or a specific project or task not to exceed one year. Temporary employees are not included in the definition of a bargaining unit employee.

Section 2.

Regular part-time employees who are appointed to a position that is regularly scheduled to work at least twenty (20) hours per week shall receive pro-rata sick and vacation based on scheduled hours.

Section 3.

Regular part-time employees who are appointed to a position that is regularly scheduled to work less than twenty (20) hours per week shall not receive pro-rata sick and vacation.

Section 4.

Regular part-time employees will be eligible for step movement in the same manner as regular full-time employees.

Section 5.

Regular part-time employees will not be eligible for health insurance or other insurance benefits.

Section 6.

Regular part-time employees will be eligible for holiday pay in the event that they would normally have been scheduled to work on the observed holidays as described under Article XVIII.

Section 7.

Regular part-time employees will not accrue seniority except for the purposes of vacation accrual. For purposes of vacation accrual, regular part-time employees will be considered to have a year of service after working 1040 hours for the Employer.

ARTICLE XXV **EMPLOYEE RIGHTS - GRIEVANCE PROCEDURE**

Section 1. Definition of a Grievance

A grievance is defined as a dispute or disagreement as to the interpretation or application of the specific terms and conditions of this AGREEMENT.

Section 2. Union Representatives

The Employer will recognize representatives designated by the Union as the grievance representatives of the bargaining unit having the duties and responsibilities established by this Article. The Union shall notify the Employer in writing of the names of such Union representatives and of their successors when so designated.

Section 3. Processing of a Grievance

It is recognized and accepted by the Union and the Employer that the processing of grievances as hereinafter provided is limited by the job duties and responsibilities of Employees and shall therefore be accomplished during normal working hours only when consistent with such Employee duties and responsibilities. The aggrieved Employee and the Union representative shall be allowed a reasonable amount of time without loss in pay when a grievance is investigated and presented to the Employer during normal working hours provided the Employee and the Union representative have notified and received the approval of the designated supervisor who has determined that such absence is reasonable and would not be detrimental to the work programs of the Employer.

Section 4. Procedure

Grievances, as defined by Section 1, shall be resolved in conformance with the following procedure:

- Step 1: An Employee claiming a violation concerning the interpretation or application of this Agreement shall, within twenty-one (21) calendar days after such alleged violation has occurred, present such grievance to the Employee's supervisor as designated by the Employer. The Employer-designated representative will discuss and give an answer to such Step 1 grievance within ten (10) calendar days after receipt. A grievance not resolved in Step 1 and appealed to Step 2 shall be placed in writing setting forth the nature of the grievance, the facts on which it is based, the provision or provisions of the agreement allegedly violated, and the remedy requested and shall be appealed to Step 2 within ten (10) calendar days after the Employer-designated representative's final answer in Step 1. Any grievance not appealed in writing to Step 2 by the Union within ten (10) calendar days shall be considered waived.
- Step 2: If appealed, the written grievance shall be presented by the Union and discussed with the Employer-designated Step 2 representative. The Employer-designated representative shall give the Union the Employer's Step 2 answer in writing within ten (10) calendar days after receipt of such Step 2 grievance. A grievance not resolved in Step 2 may be appealed to Step 3 within ten (10) calendar days following the Employer-designated representative's final Step 2 answer. Any grievance not appealed in writing to Step 3 by the Union within ten (10) calendar days shall be considered waived.
- Step 3: If appealed, the written grievance shall be presented by the Union and discussed with the Employer-designated Step 3 representative. The Employer-designated representative shall give the Union the Employer's answer in writing within ten (10) calendar days after receipt of such Step 3 grievance. A grievance not resolved in Step 3 may be appealed to Step 4 within ten (10) calendar days following the Employer-designated representative's final answer in Step 3. Any grievance not appealed in writing to Step 4 by the Union within ten (10) calendar days shall be considered waived.
- Step 4: A grievance unresolved in Step 3 and appealed in Step 4 may be submitted to the Minnesota Bureau of Mediation Services. A grievance not resolved in Step 4 may be appealed to Step 5 within ten (10) calendar days following the Employer's final answer in Step 4. Any grievance not appealed in writing to Step 5 by the Union within ten (10) calendar days shall be considered waived.
- Step 5: A grievance unresolved in Step 4 and appealed in Step 5 shall be submitted to arbitration subject to the provisions of the Public Employment Labor Relations Act of 1971, as amended. The Employer and the Union representative shall endeavor to select a mutually acceptable arbitrator to hear and decide the grievance. If the parties cannot agree on an arbitrator, the selection of an arbitrator shall be made in accordance with the Rules Governing the Arbitration of Grievances: as established by the Public Employment Relations Board.

Section 5. Arbitrator's Authority

The arbitrator shall have no right to amend, modify, nullify, ignore, add to, or subtract from the terms and conditions of this agreement. The arbitrator shall consider and decide only the specific issue(s) submitted in writing by the Employer and the Union, and shall have no authority to make a decision on any other issue not so submitted.

The arbitrator shall be without power to make decisions contrary to, or inconsistent with, or modifying or varying in any way the application of laws, rules, or regulations having the force and effect of law. The arbitrator's decision shall be submitted in writing within thirty (30) days following the close of the hearing or the submission of briefs by the parties, whichever be later, unless the parties agree to an extension. The decision shall be binding on both the Employer and the Union and shall be based solely on the arbitrator's interpretation or application of the express terms of this agreement and to the facts of the grievance presented.

The fees and expenses for the arbitrator's services and proceedings shall be borne equally by the Employer and the Union provided that each party shall be responsible for compensating its own representatives and witnesses. If either party desires a verbatim record of the proceedings, it may cause such a record to be made, providing it pays for the record. If both parties desire a verbatim record of the proceedings the cost shall be shared equally.

Section 6. Waiver

If a grievance is not presented with the time limits set forth above, it shall be considered waived. If a grievance is not appealed to the next step within the specified time limit or any agreed extension thereof, it shall be considered settled on the basis of the Employer's last answer. If the Employer does not answer a grievance or an appeal thereof within the specified time limits, the Union may elect to treat the grievance as denied at that step and immediately appeal the grievance to the next step. The time limit in each step may be extended by mutual agreement of the Employer and the Union.

ARTICLE XXVI **FINALITY**

Any matters relating to current contract terms whether or not referred to in this Agreement, shall not be open for negotiations during the term of this Agreement except by mutual agreement of the parties.

ARTICLE XXVII **SEVERABILITY**

The provisions of this Agreement shall be severable, and if any provision thereof or the application of any such provision under any circumstances be held invalid, it shall not affect the other provisions thereof.

ARTICLE XXVIII **DURATION**

This Agreement shall be effective as of January 1, 2018, and shall remain in force and effect until the 31st day of December 2020.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals on the day above stated.

**CITY COUNCIL
CITY OF CLOQUET**

**LOCAL 545, AMERICAN FEDERATION
OF STATE, COUNTY & MUNICIPAL
EMPLOYEES, AFL-CIO**

By _____
City Administrator

By _____
Staff Representative

Date _____

Date _____

By _____
Mayor

By _____
President, Local 545

Date _____

Date _____

**APPENDIX A
CLASSIFICATION OF CITY EMPLOYEES
AND COMPENSATION SCHEDULE**

| | | |
|---------------------|----|-------|
| Clerk Hourly Rate | \$ | 14.61 |
| Laborer Hourly Rate | \$ | 15.50 |
| Night Differential | \$ | 1.50 |

Licenses

Water Certification License and Wastewater Certification License of \$10.00 per certification for D, C, B and A Licenses shall be paid to: Qualified Pumphouse Operator, Relief Pumphouse Operator and Truck Driver/Utility Maintenance Person.

Employees holding the following positions shall be required to apply for and complete testing to obtain a Class A, Commercial Driver's License:

Fleet Services Supervisor, Service Technician, Truck Driver/Maintenance Person, Truck Driver/Utility Maintenance Person and Heavy Equipment Operator.

The above employees shall apply for and obtain said Class A License within six months after assignment to the above positions.

Existing employees, currently holding the above positions, who fail to successfully pass the required Class A exam, will not be penalized for failing, however, they will be required to retest on at least a six-month cycle.

All employees who apply for assignment to the above positions must obtain said Class A License within six months in order to retain that position. Those who fail, shall revert to their previous job classifications.

New employees applying for the above positions, who fail to obtain said Class A License within six months, shall be terminated under the term of their probationary period.

For testing purposes, employees shall be allowed to complete testing during their normal work week, without reduction of pay, and shall be afforded the use of City owned equipment to complete their road test portion of the exam.

All Parks Maintenance Person positions shall be required to hold a Class B, Commercial Drivers License.

Other Pay

Effective January 1, 1980, the City will provide Heavy Equipment pay for the operation of its rubber tire backhoe.

Tool Allowance – Mechanics that are required to provide their own tools shall be compensated with a \$40 per month tool allowance. In order to receive this benefit an Employee must purchase and use tools that have a lifetime free replacement warranty and use the warranty to replace tools.

Employees newly hired by the City shall receive a pay rate that is based upon Step 1 of the above plan, unless otherwise negotiated and agreed upon between the Employer and Employee that an Employee start at a higher step. On January 1 of each year, based upon the satisfactory completion of the Employee's annual performance evaluation, an employee shall be eligible to move to the next step in the plan. New employees shall not be permitted to start at a higher step in the same classification than a current employee with comparable experience. Employees that are promoted to a new classification will move to the closest step in the new wage range that meets or exceeds three percent (3%) above the employee's existing wage (exclusive of overtime).

City Policy will be that in cases both where the operation of city equipment by a contractor takes place after normal working hours and the operation of such equipment would take away overtime otherwise normally part of an AFSCME position, that the operation of such equipment will first be offered to the City employee.

Wages: Employees will receive wage increases across the board to all steps and grades as follows:

2018 3%

2019 3%

2020 3%



ADMINISTRATIVE OFFICES

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email: admin@ci.cloquet.mn.us
www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: James Barclay, Assistant City Administrator, HR Director
Reviewed by: Aaron Reeves, City Administrator *AR*
Date: January 4, 2018

ITEM DESCRIPTION: Personnel Policies Handbook

Requested Action

The City Council is asked to approve the City of Cloquet Personnel Policies Handbook.

Background/Overview

The City's existing personnel policy/handbook was last updated in 1999. This 1999 policy only applies to employees that are not covered by a collective bargaining agreement. While the City has updated portions, and adopted several other related individual policies since that time that apply to all employees, the overall policy remains unchanged. The adoption of this personnel policy handbook would consolidate all existing personnel policies in one document and clarify that the policies do apply to all employees.

The purpose and scope of such policy is identified in Sections 1.1 and 1.2 of the policy. The League of Minnesota Cities and related attorneys strongly encourage cities to adopt written personnel rules and procedures. Cities generally use either an ordinance or policy manual to establish such rules. For flexibility in stating the terms, conditions, privileges and responsibilities of employment and ease of updating changed practices, the League recommends a policy manual or handbook over the ordinance approach.

The City is not required to have personnel policies. However, these rules and procedures can help keep the City functioning smoothly from a human resources perspective. These policies serve as an information guide to help employees become better informed and to make their experience with the city more rewarding. If any specific provisions of the Policies conflict with current union agreements or civil service rules, the union agreement or civil service rules will prevail. Nothing in the policies are intended to modify or supersede applicable provision of state or federal law or employment contracts.

This policy has been reviewed by legal counsel with expertise in human resources. It has also been reviewed by various employee groups and AFSCME representative. The reviews resulted in some changes as we have developed this Handbook over the last several years

Policy Objectives

There is significant and a wide variety of State and Federal law of which applies to the area of human resources. Many of the specific policies in the manual are derived directly from those laws and statutes.

Financial/Budget/Grant Considerations

None. Those components of the policy that impact employee benefits are consistent with current practices and as such create no new direct financial impact to the City.

To Mayor and Council
Personnel Policy Handbook
January 4, 2018
Page 2

Advisory Committee/Commission Action

None.

Supporting Documentation Attached

- Personnel Policies Handbook

CITY OF CLOQUET

PERSONNEL POLICIES HANDBOOK



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Revision Date: 01/03/2018

SECTION 1, INTRODUCTION

1.1 PURPOSE

The purpose of these policies is to establish a uniform and equitable system of personnel administration for employees of the City of Cloquet. They should not be construed as contract terms. The policies are not intended to cover every situation that might arise and can be amended at any time at the sole discretion of the City. These policies supersede all previous personnel policies.

1.2 SCOPE

These policies apply to all employees of the City which includes employees at the Cloquet Public Library. Except where specifically noted, these policies do not apply to:

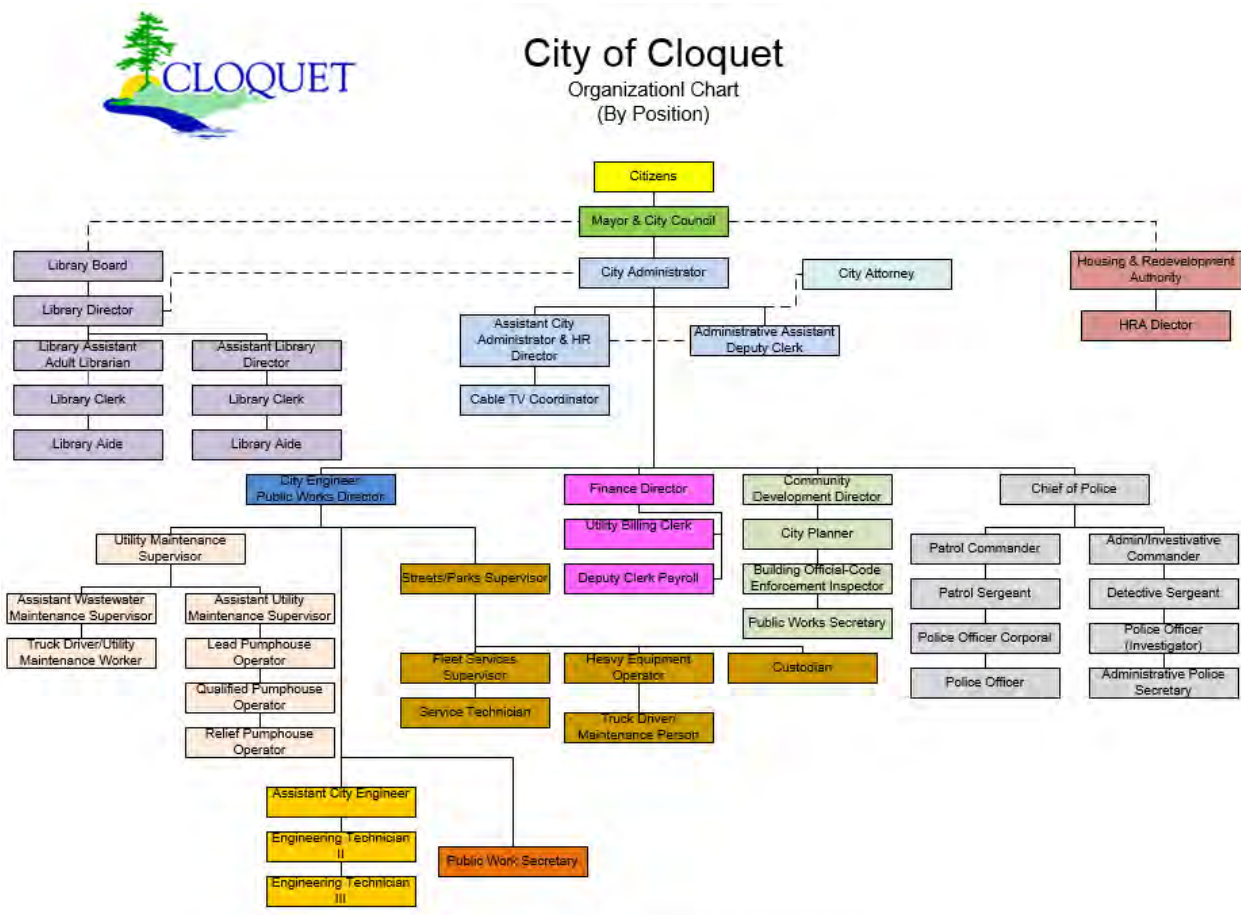
1. Elected Officials;
2. City Attorney;
3. Members of City Boards, Commissions and Committees;
4. Consultants and Contractors;
5. Volunteers.

If any specific provisions of the Personnel Policies conflict with any current union agreement, the union agreement will prevail. Union employees are encouraged to consult their collective bargaining agreement first for information about their employment conditions. Nothing in these policies is intended to modify or supersede any applicable provision of state or federal law or employment contract.

These policies serve as an information guide to help employees become better informed and to make their experience with the city more rewarding. Departments may have special work rules deemed necessary by the supervisor and approved by the City Administrator for the achievement of objectives of that department. Each employee will be given a copy of such work rules by the department upon hiring and such rules will be further explained and enforcement discussed with the employee by the immediate supervisor.

1.3 ORGANIZATION

There shall be prepared and maintained a written job description for each position in the City. All job descriptions shall consist of a title, a description of distinguishing features of the job, typical examples of work performed and other pertinent information relative to the preparation and abilities necessary for the duties of the job. Specifications are descriptive and explanatory of the kind of work to be performed, but not necessarily inclusive of all duties to be performed. The City may create a new job description when needed or abolish a job description when not needed upon approval by the City Council. (The organizational chart is included as reference.)



1.4 SAVINGS CLAUSE

The provisions of this policy manual are subject to law. In the event, any provision is held to be contrary to law by a court of competent jurisdiction from whose final judgment or decree no appeals have been taken within the time provided, such provision shall be voided. All other provisions shall continue in full force and effect unless modified by the City Council. All prior resolutions, practices, policies, rules and regulations regarding terms and conditions of employment, to the extent inconsistent with the provisions of this policy manual are hereby superseded. The City Council reserves the right to unilaterally modify this policy manual subject to the negotiation of any mandatory subject of bargaining, if any, under PELRA for represented employees. The City Administrator reserves the right to promulgate appropriate rules and regulations relative to these policies.

SECTION 2, EMPLOYMENT POLICIES

2.1 EEO POLICY STATEMENT

The City of Cloquet is committed to providing equal opportunity in all areas of employment, including but not limited to recruitment, hiring, demotion, promotion, transfer, recruitment, selection, lay-off, disciplinary action, termination, compensation and selection for training. The City of Cloquet will not discriminate against any employee or job applicant on the basis of race, color, creed, religion, national origin, ancestry, sex, sexual orientation, gender identity, or gender expression, disability, age, marital status, genetic information, status with regard to public assistance, veteran status, familial status, or membership on a local human rights commission or lawful participation in the Minnesota Medical Cannabis Patient Registry.

2.2 GOVERNMENT DATA PRACTICES ACT

Numerous types of data are categorized as private, non-public, or confidential under the Minnesota Government Data Practices Act. In many circumstances, data may not be disclosed except with authorization of the subject of the data or pursuant to court order. To ensure that the Minnesota Government Data Practices Act is not violated, employees are strictly prohibited from disclosing to anyone whose work assignment for the City does not reasonably require access to the data, within or outside the City, any personnel data, data relating to pending civil legal actions, or any other data that is properly classified by the responsible authority as private, non-public, or confidential, without the City Administrator's express authorization or his/her authorized designee. Pursuant to the Minnesota Government Data Practices Act, the City Council appointed the City Administrator as the responsible authority to administer the requirements for collection, storage, use, and dissemination of data on individuals within the City. Refer to the City's guidelines and procedures for the Minnesota Government Data Practices Act for additional information.

2.3 PERSONNEL RECORDS

Maintenance: The City Administrator, or his/her designee, shall maintain a personnel record for each employee. The personnel record shall show the employee's name, title, department, salary, change in employment status, disciplinary actions, and other such information as may be considered pertinent.

Report of Personnel Changes: The City attempts to maintain complete and accurate personnel information on its employees. The City complies with laws regarding data privacy. It is important that your permanent personnel records are kept accurate and up to date. Promptly notify the Administration Department when there is a change in any of the following:

1. Name (through marriage or otherwise)
2. Address
3. Marital status
4. Beneficiaries for life insurance and retirement
5. Telephone number

6. Person to contact in case of emergency
7. Other changes which may affect benefits coverage

It is each employee's responsibility to notify the Finance or Administration Department of changes.

2.4 HIRING

2.4.1 SCOPE

The City Administrator or a designee will manage the hiring process for positions within the City. While the hiring process may be coordinated by staff, the City Council or Library Board is responsible for the final hiring decision and must approve all hires (full-time and part-time) to City employment. All hires will be made according to merit and fitness related to the position being filled and/or applicable collective bargaining agreements.

2.4.2 FEATURES OF THE RECRUITMENT SYSTEM

The City Administrator or designee will determine if a vacancy will be filled through an open recruitment or by promotion, transfer or some other method. This determination will be made on a case-by-case basis. The majority of position vacancies will be filled through an open recruitment process.

Application for employment will generally be made on-line or on application forms provided by the City. Other materials in lieu of a formal application may be accepted in certain recruitment situations as determined by the City Administrator or designee. Supplemental questionnaires may be required in certain situations. All candidates must complete and submit the required application materials by the posted deadline, in order to be considered for the position. The deadline for application may be extended by the City Administrator. Unsolicited applications will not be kept on file.

Position vacancies may be filled on an "acting" basis as needed. The City Council or Library Board will approve all acting appointments. Pay rate adjustments, if any, will be determined by the City Council. When applicable positions will be filled in accordance with collective bargaining agreements.

2.4.3 TESTING AND EXAMINATIONS

Applicant qualifications will be evaluated in one or more of the following ways: training and experience rating; written test; oral test or interview; performance or demonstrative test; physical agility test, or another appropriate job-related exam.

Internal recruitments will be open to any City employee who: (1) has successfully completed the initial training period (2) meets the minimum qualifications for the vacant position; and (3) currently is and for the past year has been in good standing with the City.

The City Council or designee will establish minimum qualifications for each position with input from the appropriate supervisor. To be eligible to participate in the selection process a candidate must meet the minimum qualifications.

2.4.4 PRE-EMPLOYMENT MEDICAL EXAMS

The City Administrator or designee may determine that a pre-employment medical examination, which may include a psychological evaluation, is necessary to determine fitness to perform the essential functions of any City position. Where a medical examination is required, an offer of employment is contingent upon successful completion of the medical exam.

When a pre-employment medical exam is required, it will be required of all candidates who are finalists and/or who are offered employment for a given job class. Information obtained from the medical exam will be treated as confidential medical records. When required, the medical exam will be conducted by a licensed physician designated by the City with the cost of the exam paid by the City. (Psychological/psychiatric exams will be conducted by a licensed psychologist or psychiatrist.) The physician will notify the City Administrator or designee that a candidate either is or isn't medically able to perform the essential functions of the job, with or without accommodations and whether the candidate passed a drug test, if applicable. If the candidate requires accommodation to perform one or more of the essential functions of the job, the City Administrator or designee will confer with the physician and candidate regarding reasonable and acceptable accommodations.

If a candidate is rejected for employment based on the results of the medical exam, he/she will be notified of this determination.

2.4.5 SELECTION PROCESS

The selection process will be a cooperative effort between the City Administrator or designee and the hiring supervisor, subject to final hiring approval of the City Council or Library Board. Any, all or none of the candidates may be interviewed.

The process for hiring temporary employees may be delegated to the appropriate supervisor with each hire subject to final City Council or Library Board approval. Except where prohibited by law, temporary employees may be terminated by the supervisor at any time, subject to City Council or Library Board approval.

The City has the right to make the final hiring decision based on qualifications, abilities, experience and City of Cloquet needs.

2.4.6 REFERENCE AND BACKGROUND CHECKS

Scope: The City of Cloquet may conduct background checks on initial hires, rehired employees, and internal transfers/promotions whether part-time, full-time, seasonal, temporary or volunteer. All finalists for employment with the City will be subject to a background check to confirm information submitted as part of application materials and to assist in determining the candidate's suitability for the position. Except where already defined by state law, the City Administrator will determine the level of background check to be conducted based upon the position being filled. Factor in making this determination include but are not limited to whether the position involves:

1. Direct responsibility for the care, safety, and security of people, including children and minors.
2. Direct access to, or control over, cash, checks, credit cards, and/or credit card account information.
3. Authority to commit financial resources of the City through contracts.
4. Responsibility for operating a City-owned vehicle.
5. CDL drivers operating City-owned vehicles for the purpose of transporting children, employees, and performing other work responsibilities.
6. Access to personal identifying information about employees, management, and the public.

The City Administrator or designee will work with other departments, organizations, agencies, etc. to obtain and assist in conducting background checks. (e.g. law enforcement agencies, consumer reporting agencies, etc.) If the background investigation shows possible disqualifying information, the City Administrator will discuss the information with the Department Head to make sure the employment decision is made based upon job related information.

2.4.7 PROBATIONARY PERIOD

The City of Cloquet regards the probationary period as an integral part of the employment process subject to collective bargaining agreements when applicable. During the probationary period, the City and the new employee should consider whether the employment situation appears to be satisfactory.

The probationary period consists of the first twelve months of employment, but may be extended by, for example, an unpaid leave of absence. During the probationary period, the City will closely observe the employee's work to determine whether the employee demonstrates that he/she is qualified for the position to which he/she has been appointed. Performance, skills, ability, and other factors observed and demonstrated during the probationary period are evaluated by the employee's supervisor in order to determine whether the employee will be retained by the City. A performance evaluation will be completed and reviewed with the employee by the six-month point of the probationary period.

As during employees' regular employment, employment during the probationary period is at will, meaning the employee and the City each have the right to terminate employment with or without cause or notice (except if provided otherwise by statute or applicable collective bargaining agreement). If the employee does not meet established standards and there is reason to believe, in the City's sole discretion, that a longer review period is needed, the probationary period can be extended an additional six months.

Employees transferred, promoted or appointed to new positions in the City must also successfully complete a twelve-month probationary period. If an employee appointed to a new position is found to be unsuited for that position, the City, at its sole discretion, may, subject to posting requirements in collective bargaining agreements when applicable, reinstate the employee to his/her former position and former rate of pay if the City determines that such reinstatement is possible. Reinstatement is not guaranteed.

SECTION 3, WORK, WAGE & SALARY POLICIES

3.1 ATTENDANCE

Every City employee has an important role to play in maintaining a productive workplace. Therefore, it is important that all employees report to work as scheduled every day. Unsatisfactory attendance, including reporting late to work and leaving work early, may result in disciplinary action. If an employee must be absent from work for any reason, other than approved time off, the employee must notify his/her immediate supervisor at least thirty (30) minutes prior to the start of his/her normal working hours. If an emergency prevents the employee from notifying his/her supervisor at such time, the employee must call his/her immediate supervisor as soon as possible during the workday.

An employee may be required to use accrued paid leave time available as determined by the supervisor for any absence.

3.2 COMPENSATORY TIME

General Statement of Policy: The City of Cloquet desires to establish a written policy in regard to compensatory time off by setting forth a uniform set of procedures. Such policy shall be in compliance with the Federal Fair Labor Standards Act (FLSA).

Authority: Accumulation of compensatory time will be granted to an employee only with supervisory approval. Employees may elect, upon approval of the supervisor, to receive their overtime as compensatory time off. The provision of overtime shall be at the discretion of the supervisor and in accordance with the related bargaining agreement and the Personnel Policy.

Accumulation: Employees may be compensated for overtime with compensatory time off at the rate of one and one-half (1 1/2) times the actual amount of overtime worked. For those employees working overtime on Sundays or Holidays, compensatory time will be accumulated at the rates identified within the related bargaining agreement.

Subject to collective bargaining agreement when applicable, employees may accumulate up to a maximum of 80 hours of compensatory time with the exception of the Relief Pumphouse Operator position who may accumulate up to 240 hours as permitted under the FLSA.

Use Of Time: The use of compensatory time will be granted only with supervisor approval. An employee will be allowed to schedule compensatory time off for a particular time as long as the timing will not unduly disrupt the operations of the City.

Carry Over: Employees may carry over no more than 40 hours in a bank from one calendar year to the next. Employees will be paid for time exceeding the maximum carry over by the end of the year. Exception: pump house employees, who may carry over 240 hours into a new calendar year.

Pay Outs:

- A. Termination of employment: Upon separation from employment, a non-exempt employee shall be paid for accrued compensatory time.

- B. Transfer: Any time an employee with accrued compensatory time accruals transfers to another department, that employee's accrual will be cashed out, prior to the effective date of transfer, at their current hourly rate.
- C. Promotion to Exempt Position: If an employee is promoted from a non-exempt position to an exempt position, their accrued compensatory time will be paid out at their rate of pay for the position held before the promotion.
- D. City Authority: The City may cash out any or all of an employee's accrued compensatory time at their current hourly rate of pay at any time.

Exempt Employees: Department heads and other exempt employees, as determined under appropriate state and federal regulations, shall not be eligible to accrue compensatory time.

Employees exempt from the overtime requirements of FLSA and MFLSA will not be compensated for work in excess of 40 hours in any work week. Exempt employees shall not be paid for compensatory time under any circumstance.

Timesheets: All compensatory time shall be marked as such on official City timesheets, both when it is earned and when it is used. The Finance Department and/or Police Department will maintain compensatory time records.

Other: Individual departments may otherwise implement, in writing, certain work rules regulating the use and accumulation of compensatory time with approval of the City Administrator.

3.3 OVERTIME

All employees, in all departments, may be required to work overtime as requested by their supervisor. Supervisors will make reasonable efforts to balance the personal needs of their employees when assigning overtime work. All overtime must be authorized in advance by the employee's supervisor. An employee who works overtime without prior approval may be subject to disciplinary action.

Compensation for overtime worked by employees whose employment is subject to a collective bargaining agreement shall be governed by such agreement. All other non-exempt employees shall be compensated for overtime work at one and one-half times their regular rate of pay. It is recognized that to maintain basic services under unusual circumstances, emergencies and peak workloads, employees may be required to work overtime. Overtime for non-exempt full-time employees and temporary and seasonal hourly employees shall be paid at a rate of 1 ½ times the employee's regular rate for time worked in excess of forty (40) hours in a workweek. Non-exempt employees (eligible for overtime pay) are not authorized to take work home or work through lunch without prior approval from their supervisor.

3.4 UNAPPROVED ABSENCES

An employee must receive prior approval for an absence from work. An employee absent from duty without approval of the employee's department head or designee may be subject to disciplinary action. An employee who is absent from work, without approval, for three (3) consecutive work days may be considered to have voluntarily resigned from employment with the City. This section shall apply to full-time, part-time, temporary and seasonal employees.

3.5 WORKWEEK

The City's workweek is a regular recurring period of 168 hours in the form of seven consecutive 24-hour periods beginning at 12:01 a.m. Monday and terminating at midnight Sunday.

3.6 WORK HOURS

Work schedules shall be established by the City Council. The regular work week for employees is five, eight-hour working days in addition to a minimum of 30 minutes for a lunch period, Monday through Friday, except as otherwise established by the department head in accordance with custom and needs of the department required to maintain basic services. Subject to Collective Bargaining Agreements, when applicable, the City has absolute authority in establishing work schedules.

To ensure employee availability and accountability to the public the City serves, all full-time employees (exempt and non-exempt) are generally to be at work during the hours of 8:00 am to 4:30 pm, Monday through Friday unless away from the worksite for a work-related activity or on approved leave.

Part-time, Seasonal and Temporary Positions: In order to comply with law while avoiding penalties, part-time employees will be scheduled with business needs and in manner which ensures positions retain part-time status under which intended. Employees in part-time and temporary positions will not be scheduled to work more than 28 hours/week, including hours worked, paid leave (such as annual leave or holiday leave). All shifts, including schedule trades or picked-up shifts, must be pre-approved by supervisor. Unpaid furloughs may be imposed on employee who exceeds 28 hours/week. Working a shift without prior approval may result in discipline, up to and including termination of employment. In some rare instances, a part-time, seasonal or temporary employee may be offered health insurance in order to comply with federal health care reform laws and regulations.

3.7 WORK BREAKS

All full-time employees that are expected to work a full shift will be entitled to a 15-minute break in the morning and a 10-minute break in the afternoon at times designated by the department head or City Administrator. Part-time employees will be entitled to a break not to exceed ten (10) minutes during a work period of four hours. Employees may not purposely miss rest or lunch breaks in order to accumulate time to leave early at the end of the day; all rest breaks and meal breaks must be taken unless prior supervisor approval is obtained.

Employees working in City buildings will normally take their break at the place provided for that purpose in each building. Employees working out of doors will normally take their break at the location of their work. Travel time to and from a City building for a break is considered part of the break period.

3.8 WORK ASSIGNMENTS

Work assignments for employees in all departments shall be arranged by the department head for the best operation of the department. The City retains the full right and authority to assign and/or reassign job duties consistent with the tasks of the position.

3.9 COMPENSATION

Full-time employees of the City will be compensated according to schedules adopted by the City Council. Unless approved by the Council, employees will not receive any amount from the City in addition to the pay authorized for the positions to which they have been appointed. Expenses reimbursement or travel expenses may be authorized in addition to regular pay.

Compensation for temporary employees will be set by the City Council at the time of hire, or on an annual basis.

Under the Minnesota Wage Disclosure Protection law, employees have the right to tell any person the amount of their own wages. While the Data Practices Act (Minn. Stat. §13.43), specifically lists an employee's actual gross salary and salary range as public personnel data, Minnesota law also requires wage disclosure protection rights and remedies to be included in employer personnel handbooks. To that end, and in accordance with Minn. Stat. §181.172, employers may not:

- Require nondisclosure by an employee of his or her wages as a condition of employment;
- Require an employee to sign a waiver or other document which purports to deny an employee the right to disclose the employee's wages;
- Take any adverse employment action against an employee for disclosing the employee's own wages or discussing another employee's wages which have been disclosed voluntarily.
- Retaliate against an employee for asserting rights or remedies under Minnesota Statute §181.172, subd. 3

The city cannot retaliate against an employee for disclosing his/her own wages. An employee's remedies under the Wage Disclosure Protection law are to bring a civil action against the city and/or file a complaint with the Minnesota Department of Labor and Industry at (651) 284-5070 or 1/800-342-5354.

3.10 PAYMENT PROCEDURE

Salaries and wages shall be paid to employees of the City within the range established by the City Council for the position and in accordance with agreements in effect with recognized bargaining units. Exempt full-time employees shall receive an annual salary payable in the same number of installments as non-exempt employees. Non-exempt, part-time, seasonal, and temporary employees shall be paid hourly wages after submitting appropriately documented and approved timesheets for said work. Use of electronic time recording systems may be used in lieu of timesheets at department head discretion.

When Friday is a holiday, payroll generally will be processed before 4:30 p.m. the preceding Thursday. When Thursday and Friday are holidays, payroll generally will be processed before 4:30 p.m. on Wednesday. Payment shall usually be made to the employee every other Friday.

3.11 DIRECT DEPOSIT

As provided for in Minnesota law, all employees are required to participate in direct deposit. Employees are responsible for notifying the Finance Department of any change in status including changes in address, phone number, names of beneficiaries, marital status or other changes that impact pay checks.

Timesheets must be received by the Finance Department by noon on Monday of payroll week for payment on Friday. Timesheets submitted after the deadline will not be paid until the following payroll week. All timesheets shall be reviewed for accuracy and signed by both the employee and department supervisor prior to being processed for payment. Non-exempt employees will be paid based upon the time recorded on their timesheets. Reporting false information on a timesheet may be cause for immediate termination.

Payroll deductions: **Employees must complete appropriate forms for processing payroll and notify payroll of any changes to their information.**

3.12 EMPLOYEE PERFORMANCE EVALUATION

General Policy: City employees are essential to providing services to the public. To provide quality, efficient and cost-effective services, the performance of employees is crucial. Therefore, the City is committed to a performance management system for its employees that communicates performance expectations for job duties and responsibilities, workplace standards, both clinical and behavioral, and goals and objectives; identifies an employee's strengths and areas for improvement in meeting these expectations; and fosters an employee's job development. To meet this commitment, the City promotes the following: (1) ongoing feedback to and candid discussions with employees about performance throughout the year; and (2) an annual performance evaluation that addresses prior and future performance of the employee. Employees are required to review written documents provided to them, discuss with their evaluating supervisor for both ongoing feedback and the annual performance

evaluations. The object of this policy is to establish a recommended guide for the annual evaluation of all city employees.

Performance Evaluation/Reviews: Performance appraisals are an opportunity for employees, supervisors, and the City to assess an individual's job performance. The performance appraisal system is designed to:

1. Ensure that quality services are provided to the public at the least possible cost;
2. Motivate and develop employees to their fullest potential;
3. Clarify roles and mutual expectations of supervisors and employees;
4. Promote open and ongoing communication between employees at all levels;
5. Assists in tracking the achievement of established goals;
6. Assist in determination of whether employees are meeting the established performance standards for their position.
7. Provide a performance based component for individual employee compensation.

Employees may be evaluated formally or informally at any time. An employee's immediate supervisor or department head normally will conduct a performance appraisal on an annual basis, and may conduct performance appraisals more frequently if prescribed by the City Administrator or the employee's department head. The employee may be asked to provide a self-evaluation, to provide input and assist the supervisor in preparing for the appraisal. The performance appraisal will be in writing and will be discussed with the employee. Employees do not have the right to change or grieve their performance evaluation, but may submit a written response which will be attached to the performance evaluation or appeal as detailed below.

Signing of the performance evaluation document by both the employee and supervisor is required and only acknowledges that the review has been discussed with the supervisor and does not constitute agreement. Failure to sign the document by the employee will not delay processing.

Supervisors and employees are encouraged to conduct periodic discussions throughout the year to track performance successes and problems and to track progress of mutually established goals.

All full-time and part-time employees will undergo a performance evaluation after their six month and one-year anniversary dates from their initial date of employment. Subsequent evaluations will generally take place annually. Copies of evaluations will be kept in the employee's personnel files. Employee recognition and performance feedback are the most important characteristics of the evaluation process.

Performance and Wages: Except as otherwise agreed upon as part of an individual's bargaining unit contract, or as determined year-to-year by the Council, progression through the wage scale for all full-time and part-time employees will be based on years of service and performance and be considered on a calendar year basis. Employees who achieve a meets standards or better performance rating will move through their respective wage scale based on their level of performance. Employees who receive a performance rating of needs improvement will remain at their existing wage step. Employees who receive a performance rating of below standards will remain at their existing wage step and be ineligible for any increase provided to the step by changes in the wage schedule. Employees who receive a needs improvement or below standards rating will be re-evaluated within six (6) months to see if their performance reaches the meets standards level, if so the employee will receive an increase, however, the increase will not be retroactive. An employee found to have exceptional performance shall be eligible to move additional steps if authorized by the City.

Other Related Step/Pay Plan/Evaluation Components:

1. Promotions - An employee promoted shall be eligible to receive the wages authorized for the new position. Upon promotion, an employee shall, at a minimum, move to the appropriate next closest step which results in a wage increase. An employee shall not receive a wage higher than the last step in the adopted pay plan.
2. Appeals - Should an employee disagree with the results of a supervisor's performance evaluation; an employee may appeal the findings to the Department Head or City Administrator if appealing a Department Head's written evaluation. Such appeal shall not be arbitrable and the decision of the City Administrator shall be final.
3. New Employees - A newly hired employee is eligible to be hired anywhere within the pay plan as adopted by the City Council. However, a new employee may not be hired at a wage above an existing employee with similar or more experience.

SECTION 4, EMPLOYEE BENEFITS AND SERVICES

4.1 DEFERRED COMPENSATION PLANS

Through payroll deduction the City of Cloquet offers employees the ability to save part of their pay check in a tax deferred savings account known as a 457 Plan. This program allows employees to save additional funds for retirement in a tax sheltered flexible investment program. The City does not match amounts paid into this tax deferred plan. Additional information is available from Human Resources.

4.2 FLEXIBLE BENEFITS ACCOUNT (125)

The City has provided a Flexible Benefit Account

Flexible Spending Account (FSA) - allows employees to direct part of before-tax earnings into a special tax-free account to be used to reimburse out-of-pocket health/dental and dependent care expenses. Enrollment can begin the first of the month following employment. Re-enrollment is annual thereafter.

Medical Reimbursement Account - covers health expenses not reimbursed by any other plan (i.e. deductibles, eye exams, contacts, etc.). Money directed into these accounts must be used, or the employee loses any amount in the account over \$500 on an annual basis (Dec 31).

Dependent Care Reimbursement Account (DCSA) - reimburses dependent care expenses that become necessary: If employee uses DCSA, these expenses will not be eligible for the childcare credit when filing income taxes. Money directed into these accounts must be used, or the employee loses it.

Maximum contributions to these accounts are set annually by the IRS.

4.3 INSURANCE BENEFITS

4.3.1. LIFE INSURANCE

Employee Basic Term Life Insurance – The City provides its eligible active employees Basic Term Life in an amount of \$50,000. Coverage includes Accidental Death and Dismemberment (AD&D).

Supplemental Term Life Insurance – Active employees insured under Basic Term Life can apply for Employee Supplemental Term Life with equal AD&D. Employees can elect coverage in any multiple of \$10,000 up to a maximum of \$400,000.

Spouse Supplemental Term Life Insurance: Employees participating in Employee Supplemental Term Life can elect Spouse Supplemental Term Life with equal AD&D up to 50% of their own coverage. Spouse Supplemental Term Life is available in multiples of \$5,000 up to \$200,000.

Child Supplemental Life Insurance – Employees can elect Group Term Life on their eligible children in the amount of \$10,000.

4.3.2. MEDICAL INSURANCE PLAN OPTIONS

Health insurance is provided through the City. All employees are required to enroll in at least a single health plan unless they can provide proof of health insurance through another source.

The City may contribute to premiums for such policies as determined by the City and the City reserves the right to add, change, or eliminate insurance benefits at any time at its discretion.

The City of Cloquet recognizes that each employee is different and has different benefit needs. In an effort to provide benefits that closely match each individual's needs, we offer a flexible plan that allows you to purchase only those options which will be most advantageous to you.

- Children may be covered up to the end of the month in which they turn 26 years old.

OPT-OUT

If an employee is eligible to and chooses to opt-out, a HRA or other limited/deferred comp contribution will be made at the end of each quarter to the employee's account.

4.3.3. DENTAL PLAN

The City of Cloquet provides both single and family dental coverage.

- Unmarried dependent children may be covered up to the 25 years of age.

4.4 EMPLOYEE ASSISTANCE PROGRAM (EAP)

The Employee Assistance Program (EAP) is to motivate employees to seek help with personal problems and to improve/maintain or restore employee productivity through early identification of, and assistance with these problems. In many instances, employees will overcome personal problems independently before the effects of problems result in serious difficulties in job performance or in other areas of the employee's life. In other instances, the employee can benefit by consulting the EAP in appropriately identifying and resolving these problems.

The EAP will assist City employees and/or their dependents with appropriately identifying personal problems and carrying out a plan to resolve these problems. This applies to the broad range of problems which can affect individuals and families, including, but not limited to, family or marital difficulties, medical and psychological problems, alcohol or other drug abuse/dependency, legal problems, or other personal concerns.

All contacts with the EAP are confidential. No information specific to any employee will be released without the employee's written consent. Program records are confidential.

Sand Creek Group, LTD., administers the EAP program. Employees are encouraged to seek information and assistance with personal problems by contacting the EAP staff directly.

Use of the EAP is always voluntary. Compliance with recommendations made by the EAP counselor also remains the employee's choice.

Whether or not the employee chooses to seek assistance from the EAP, acceptable job performance and attendance remain the employee's responsibility. Participation in the EAP in no way supersedes other company policies.

Leave policies or other related policies and benefits will apply to treatment for psychological or alcohol and drug problems on the same basis as they apply to other illnesses and health problems as per existing policies.

Employees are assured that using the EAP for any type of personal problem will not jeopardize their jobs and future with the company. Using the EAP is an indication that the employees are serious about staying well. EAP use is a positive life management tool, which contributes too maximum personal and job success.

Face to face assessment and/or brief therapy services, totaling up to 3 hours of service per incident per year, is available to employees and/or dependents at no out-of-pocket cost under this plan.

To contact Sand Creek LTD. our EAP provider, please call (218) 481-7477 or 1-844-678-5710.

4.5 RETIREMENT PLAN (PERA)

The city participates in the Public Employees Retirement Association (PERA) to provide pension benefits for its eligible employees to help plan for a successful and secure retirement. Participation in PERA is mandatory for most employees, and contributions into PERA begin immediately. The city and the employee contribute to PERA each pay period as determined by state law. Most employees are also required to contribute a portion of each pay check for Social Security and Medicare (the city matches the employee's Social Security and Medicare withholding). For information about PERA eligibility and contribution requirements, contact Human Resources or go to www.mnpera.org.

4.6 SEVERANCE PAY

General Rule: Upon separation from employment in good standing through resignation, retirement or death, a full-time employee shall be paid as per the following provisions:

- A. **Vacation / Comp Time:** Employees whose employment terminates will be entitled to 100% of their allowable accumulated, unused vacation leave and comp time. Payment shall be determined upon the basis of the employee's rate of pay in the last pay period prior to severance and paid through regular payroll as taxable wages to that employee.

Should such termination be due to the death of an employee, his/her beneficiary or their estate will be entitled to 100% of their allowable accumulated, unused vacation leave and comp time. Payment shall be determined upon the basis of the employee's rate of pay in the last pay period prior to severance.

- B. **Sick Leave:** Upon retirement, the employee will be entitled to 33% of their allowable accumulated, unused sick leave (including the combined total of the employee's regular accumulated sick leave and catastrophic sick leave banks), not to exceed 316 hours, to be paid at the employee's current rate of pay. Retirement means resignation of the employee after the employee's 50th birthday, the employee has fifteen (15) years of accumulated active duty with the City of Cloquet and the employee is eligible to meet all of the requirements to receive PERA retirement benefits on the date of separation from employment. Such benefit shall be paid directly to the retiree or to an HCSA/HRA/HSA if there is an agreement in place.

Payment: The City shall provide the vacation/comp time and sick leave severance pay on the first payday following the employee's separation that is at least five (5) calendar days after the separation date.

4.7 EMPLOYEE TRAINING, CONFERENCES, AND SEMINARS

The City promotes staff development as an essential, ongoing function needed to maintain and improve cost effective quality service to residents. The purposes for staff development are to ensure that employees develop and maintain the knowledge and skills necessary for effective job performance and to provide employees with an opportunity for job enrichment and mobility.

Policy. The City will pay for the costs of an employee's participation in training and attendance at professional conferences, provided that attendance is approved in advance under the following criteria and procedures:

Job-Related Training & Conferences. The subject matter of the training session or conference is directly job related and relevant to the performance of the employee's work responsibilities. Responsibilities outlined in the job description, annual work program requirements and training goals and objectives that have been developed for the employee will be considered in determining if the request is job related.

All training will be subject to the availability of budget monies. The supervisor may recommend and the City Administrator will ultimately be responsible for determining job relatedness and approving or disapproving training and conference attendance.

Compensation for Travel & Training Time. Time spent traveling to and from, as well as time spent attending a training session or conference, will be compensated in accordance with the federal Fair Labor Standards Act.

General Travel Guidelines for all City Employees:

An employee's expenses incurred while traveling for City business or attending approved conferences, training, or the like are paid by the City. Expenses incurred by an individual, who is not a City employee, while attending a conference, training, or the like, or traveling with a City employee will not be paid by the City.

1. **Meals** - The maximum daily meal allowance for employees traveling outside the area for a full calendar day and staying overnight, including taxes and gratuities consistent with Internal Revenue Service (IRS) guidelines. Employees may spend up to the daily meal allowance among the three meals at their discretion. If an employee is traveling outside the area for less than a full calendar day please refer to the "Travel Reimbursement Form" which can be found at www.ci.cloquet.mn.us

These amounts are adjusted if the maximum daily meal allowances in the IRS guidelines change. This amount may be adjusted for travel outside of Minnesota or to a higher cost area by the City Administrator. Meals included as part of a conference registration are not reimbursable and when the cost of a meal is included in a registration fee, there will be a reduction of the above amounts from the maximum daily reimbursement.

Liquor is not an allowable expense.

2. **Lodging** - The actual cost for lodging is paid by the City as authorized by the department supervisor or City Council. Room service, personal phone calls, movies, and other extras must be paid for by the employee.

3. **Transportation**

- **Airline** - Airfare will be reimbursed at the coach rate.
- **Automobile** - If an employee uses their personal vehicle, they will be reimbursed for the amount allowed by the IRS guidelines. If two or more employees travel together by car, only the driver will receive the reimbursement. Please contact the Finance Director for the current rate.

The City will reimburse for the cost of renting an automobile if necessary to conduct City business with prior approval of the City Administrator.

- **Parking** - Fees will be reimbursed for the actual amount.
4. **Reimbursement** – Detailed receipts are required for lodging, airfare, transportation, parking, and meals and should accompany an expense report form. After supervisor approval, the expense

report form shall be submitted to the Finance Director for payment. The City will not reimburse any request for recreational expenses such as golf or tennis.

5. **Advance Expense Check** - All employees are encouraged to have conference, training, or the like and lodging fees paid in advance by the City. If requested, and authorized by the City Council or Department Supervisor, an advance expense check or cash may be issued for estimated travel expenses.

The advance shall be issued pursuant to Minnesota Statute 471.97.

- Receipts are required for all expenses.
- A signed reimbursement travel voucher with receipts must be submitted within 30 days of travel.
- The City shall determine the estimated travel expense amount to be advanced.
- Any additional reimbursement due to the employee shall be paid by the City based on the receipts submitted and policies established above.
- Any refund from the employee shall be paid to the City within ten (10) days of submission of the reimbursement request. The refund due from the employee shall be based upon the actual receipts submitted.
- All other provisions of this travel policy apply to determine the expenses eligible for reimbursement.

6. **Exceptions** - The City Council reserves the right to make exceptions to this policy subject to specific situations that may arise

Memberships and Dues. The purpose of memberships to various professional organizations must be directly related to the betterment of the services of the City. Normally, one City membership per agency, as determined by the City Administrator is allowed, providing funds are available.

Upon separation of employment, individual memberships remain with the City and are transferred to another employee by the supervisor.

4.8 EMPLOYEE RECOGNITION

The City of Cloquet City Council recognizes the hard work and service performed by the employees of the City of Cloquet through a formal Employee Recognition Program. The City Council believes the benefits of attracting, retaining, and motivating employees through an Employee Recognition Program support employee job satisfaction, which in turn impacts cooperation and productivity. The result is to provide excellent public and customer service to better serve the interests of the citizens of the community.

The Employee Recognition Program is considered “additional compensation” for work performed by employees but is entirely dependent on receiving funding from year to year. No provisions of this policy, or its administration, shall be subject to review under the grievance or arbitration provisions of any collective bargaining agreement. The program will include:

- A. Annually the City may sponsor an employee appreciation/recognition picnic, luncheon, or holiday party.
- B. Employees may be recognized at these annual events and in the case of retirement receive a token of the city’s appreciation for long and dedicated service in the form of a plaque, clock or similar item.

Recognition awards will go to all full-time and permanent part-time employees based strictly upon longevity and will in no way be connected to performance. The award will be based on “continuous” service with the City from the employee’s initial start date whether it be part-time or full-time. The recognition will be based on the concept of peers honoring peers.

The cost of the Employee Recognition Program will be included as a separate line item in the City of Cloquet budget. This line item will be approved annually by the City Council as part of the overall budget approval process which may include a public hearing on the proposed budget.

SECTION 5, EMPLOYEE LEAVES

5.1 HOLIDAYS

Full-time City employees may observe certain holidays with pay unless such employees are required to be on regular duty. When a holiday falls on Sunday and it is customarily celebrated on the following Monday, such Monday shall be considered a holiday and any holiday that falls on a Saturday, the preceding Friday shall be a holiday. Employees required to be on duty on a holiday may be given compensatory time off and/or additional benefits.

Full-time employees shall receive eight (8) hours pay at their regular straight-time hourly rate or one day's salary for each of the following holidays they are not required to work:

- New Year's Day (January 1)
- Martin Luther King Day, (3rd Monday in January)
- President's Day, (3rd Monday in February)
- Memorial Day, (Last Monday in May)
- Independence Day (July 4)
- Labor Day (1st Monday in September)
- Veterans Day (November 11)
- Thanksgiving Day (4th Thursday in November)
- Day after Thanksgiving Day (Friday)
- Christmas Eve Day (December 24)
- Christmas Day (December 25)
- Personal Floating Holiday (as scheduled & approved by department head - cannot carry over into next year or receive pay in lieu of)

Regular part-time employees who work a minimum of 1040 hours per year will receive paid holidays on the same basis as regular full-time employees, in the event that they would normally have been scheduled to work on the observed holiday, except that holiday pay will be prorated according to the number of hours worked. Regular part-time employees working less than 1040 hours per year are not eligible for holiday pay. Temporary and seasonal employees are not eligible for holiday pay.

Employees wanting to observe holidays other than those officially observed by the city may request either vacation leave or unpaid leave for such time off.

5.2 VACATION

Paid vacation leave is provided for regular full-time employees and eligible part-time employees. Regular part-time employees who work a minimum of 1040 hours per year accrue paid vacation on a pro-rata basis according to the number of hours worked. Regular part-time employees working less than 1040 hours per year are not eligible for vacation benefits. Employees covered by a collective bargaining agreement shall receive vacation leave benefits as stated in the collective bargaining agreement. Vacation leave is accrued based upon consecutive years of full-time service. Employees accrue vacation leave at the following rates:

Accrual: Full-time employees shall earn and accumulate vacation benefits as follows:

| Years of Continuous Service | Hours Per Pay Period | Vacation Hours Per Year | Maximum Year-end Carryover Into the Next Year |
|-----------------------------|----------------------|-------------------------|---|
| 0-5 | 3.5 | 91 | 91 |
| 6-12 | 5.0 | 130 | 130 |
| 13-17 | 6.5 | 169 | 169 |
| 18-24 | 8.0 | 208 | 208 |
| 25+ | 9.5 | 247 | 247 |

During any calendar year, there shall not be any limitation to the amount of vacation time that any employee may accumulate. Employees whose accrued leave exceeds the amount permitted to carry over into the next year on December 31 will lose all the time that exceeds the cap.

New employees shall accrue benefits from the start of their employment. Vacation shall be earned and accrued on a biweekly basis. The accrual rate shall be determined by the employee's anniversary date. Years of service shall mean consecutive employment as a full-time employee.

Usage: Each employee shall be entitled to use only those days of vacation accrued and earned.

Employees must receive department head approval before taking vacation leave. Preference for vacation periods shall be made known to the department head at least as many days in advance as the length of the proposed vacation. Shorter notice of preference is permissible if the employee and the department head are able to agree on the proposed vacation. Scheduled vacations are subject to cancellation by the department head in case of emergency or if it would result in insufficient staffing levels.

Employees who use earned vacation must use it in a minimum of half-hour increments with approval of the immediate supervisor. Due to the nature of work performed or other scheduling issues, certain departments may require that vacation be taken in larger blocks of time (i.e. one week) or that such time be scheduled in advance (i.e. start of year). In those cases, departments may create an internal policy regarding the notice and time.

Employees taking more than two (2) consecutive weeks of vacation or a combination of vacation and compensatory time must obtain prior approval from the City Administrator. The City will make every effort to grant vacations at the time requested by the employee but reserves the right to deny or approve vacation schedules.

Accrual/Carryover: No employee may waive vacation rights for the purpose of earning double pay. Employees may accumulate and carryover up to the maximum as described above. For the purpose of accumulating additional vacation or sick leave, an employee using earned vacation leave or sick leave is considered to be working. Vacation shall not accrue during leaves of absence unless required under State or Federal regulations.

Vacation Buyout: Each Year, employees are given vacation time accrued on a monthly basis. Once per year, as part of their last paycheck in December, employees are given the option to buy out a portion of their accrued vacation. If an employee has accrued more than 80 hours and previously used at least 50% of their annual accrued hours, they are eligible to take up to 50% of their hours in pay in lieu of vacation time up to a maximum of 40 hours.

Employees are eligible for this option if they have a minimum of 80 hours of accrued vacation time and have used 40 hours or less of accrued sick leave during the calendar year.

Termination of Employment: Unused vacation time will not be paid out in wages upon termination of employment except as provided in the Resignation section elsewhere in this Policy.

5.3 SICK LEAVE

General Rule: Sick leave is a privilege that an employee may use at his/her discretion. Employees are to use this paid leave only when they are unable to work for medical reasons and under the conditions explained below. Sick leave may be used only for days when the employee would otherwise have been at work. It cannot be used for scheduled days off.

Sick Leave Accrual: Every full-time employee is entitled to sick leave with pay at the rate of four (4) hours per pay period. Regular part-time employees who work a minimum of 1040 hours per year accrue paid sick leave on a pro-rata basis according to the number of hours worked. Regular part-time employees working less than 1040 hours per year are not eligible for sick leave. Employees covered by a collective bargaining agreement shall receive sick leave benefits as otherwise stated in the applicable collective bargaining agreement.

An employee attempting to use sick time for reasons other than those explicitly permitted in this policy will be subject to disciplinary action up to and including termination.

Unused sick leave will not be paid out in wages upon resignation or retirements except as provided in the severance pay policy.

Usage: Sick leave may be used for the following:

1. When an employee is unable to perform work duties due to illness or disability
2. For medical, dental or other care provider appointments (for period of appointment only)
3. To care for the employee's injured or ill children, including stepchildren or foster children, for such reasonable periods as the employee's attendance with the child may be necessary
4. To take children, or other family members as defined under MS 181.9413, to a medical, dental or other care provider appointment
5. When an employee has been exposed to a contagious disease of such a nature that his/her presence at the workplace could endanger the health of others
6. To care for an ill spouse, father, father-in-law, mother, mother-in-law, stepparent, grandparent, grandchild, sister or brother, or other members of the employees household
7. **Safety Leave.** Employees are authorized to use sick leave for reasonable absences for themselves or relatives (employee's adult child, spouse, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent) who are providing or receiving assistance because they, or a relative, is a victim of sexual assault, domestic abuse, or stalking. Safety leave for those listed, other than the employee and the employee's child, is limited to 160 hours in any 12-month period. The City of Cloquet utilizes a twelve (12) month "rolling" period measured forward from the date the employee's first leave begins

For their own health and the health of co-workers, sick employees should not report to work. The City Administrator or department head may send sick employees home if their performance is impaired or if they feel

sickness is detrimental to the performance of other employees. Paid sick leave is provided for regular full-time and eligible part-time employees under the restrictions noted as follows:

Doctors Certification: The City may request a doctor's certification on any sick leave over three days, when sick leave was used the last regular day before a holiday or the first regular day after a holiday, in the event of intermittent use, or at the department heads discretion if deemed necessary to verify illness or ability to return to work.

Sick Leave Reporting: When an employee finds it necessary to take sick leave, he/she shall report to their supervisor/department head, or in their absence the City Administrator, that they are sick as soon as possible. Continued or willful failure to report will be cause for the employer to refuse sick leave or take other disciplinary action.

To be eligible for sick leave with pay, an employee shall: (1) report as soon as possible to his/her supervisor/department head the reason for their absence; (2) keep their department head informed of their conditions.

Workers Compensation: An employee is required to use accrued sick leave to the extent not covered by workers compensation. Sick leave with pay will not be used for time lost from work when such time is otherwise compensated by workers compensation.

Accrual During Leave: For the purpose of accumulating additional vacation or sick leave, an employee using earned vacation leave or sick leave is considered to be working.

Limits on Accumulation of Benefits: A maximum accumulation of nine hundred sixty (960) hours is allowed. Sick leave accumulation beyond the nine hundred sixty (960) hours shall be placed into an individual secondary sick leave bank that can only be used in the case of a catastrophic illness or injury to the employee.

Usage: Employees who use sick leave must use it in a minimum of half-hour increments.

Care of Relatives: Pursuant to Minn. Stat. §181.9413, eligible employees may use up to 160 hours of sick leave in any 12-month period for absences due to an illness of or injury to the employee's adult child, spouse, sibling, parent, grandparent, stepparent, parent-in-laws (mother-in-laws and father-in-laws) and grandchildren (includes step-grandchildren, biological, adopted or foster grandchildren) as the employee's attendance may be necessary, on the same terms upon which the employee is able to use sick leave benefits for the employee's own illness or injury. The City of Cloquet utilizes a twelve (12) month "rolling" period measured forward from the date the employee's first leave begins.

5.4 TEMPORARY, SEASONAL, AND PART-TIME EMPLOYEES LEAVE

Temporary and seasonal employees are not entitled to sick leave, vacation leave, holidays with pay, bereavement, or other leaves of absence. Part-time employees who work more than 1,040 hours in a calendar year are entitled to prorated sick leave, holidays, vacation, bereavement and other leaves of absence. Leave benefits shall be prorated according to current hours actually worked.

5.5 FUNERAL LEAVE

Each regular full-time and regular part-time employee working a minimum of 1040 hours per year are permitted a paid funeral leave when a death occurs in their immediate family. Funeral leave is prorated for eligible regular part-time employees according to the number of hours worked.

Each employee shall have available 2 days (16 hours) of funeral leave per year, to be used for death in the employee's immediate family including: the employee's spouse (husband, wife), parents (biological, adoptive, and/or foster mothers and fathers) or children (sons and daughters including biological, adopted, or foster children,

stepchildren, and legal wards under age 18) siblings, grandparents, grandchildren mother/father-in-law, son-daughter-in-law. This benefit shall not accrue from year to year and is separate from sick leave. After the 2 days (16 hours) of leave are exhausted, additional sick leave allowance for a death in an employee's immediate family shall be up to three (3) days per occurrence and shall be deducted from accumulated sick leave.

Any death occurring in City employment can be attended by City employees without loss of time; time allowed shall be one half day.

Additional time off for funeral leave may be granted and charged to vacation leave or compensatory time, if any.

Employees covered by a collective bargaining agreement shall receive funeral leave benefits as stated in the collective bargaining agreement.

5.6 JURY DUTY

An employee in the service of the City shall be granted leave of absence upon a jury duty; appearance in Court, legislative committee or other body as a witness in a proceeding involving the Federal Government, the State of Minnesota, or a political subdivision thereof, in response to a subpoena or other direction by proper authority; or attendance in court in connection with his/her official duties, upon notification to the department head or the City Administrator. In the case of jury duty, the employee shall receive all pay and other benefits that would have accrued had he/she been performing services for the employer during the period of absence for jury duty. The employee should report to work as soon as possible after conclusion of duty or will take accrued vacation or compensatory time to make up the difference.

5.7 SCHOOL CONFERENCE AND ACTIVITIES LEAVE

Pursuant to M.S. 181.9412, the City will grant employees leave of up to a total of sixteen (16) hours during any school year to attend school conferences or classroom activities related to the employee's child, provided the conferences or classroom activities cannot be scheduled during non-work hours. When the leave cannot be scheduled during non-work hours and the need for the leave is foreseeable, the employee must provide reasonable prior notice to his/her supervisor of the leave and make reasonable effort to schedule the leave so as not to disrupt unduly the City operations. This leave shall be without pay except that the employee may substitute any accrued paid vacation leave or applicable comp time off.

5.8 MILITARY LEAVE

State and federal laws provide protections and benefits to City employees who are called to military service, whether in the reserves or on active duty. Such employees are entitled to a leave of absence without loss of pay, seniority status, efficiency rating, or benefits for the time the employee is engaged in training or active service not exceeding a total of 15 days in any calendar year.

The leave of absence is only in the event the employee returns to employment with the City as required upon being relieved from service, or is prevented from returning by physical or mental disability or other cause not the fault of the employee, or is required by the proper authority to continue in military or naval service beyond the fifteen (15) day paid leave of absence. Employees on extended unpaid military leave will receive fifteen (15) days paid leave of absence in each calendar year, not to exceed five years.

In the case of such first fifteen (15) days of leave, the employee's compensation from the City during the leave shall equal the difference between their regular compensation and compensation paid for military leave. Department heads should report any employee on military leave to the Finance Department. Employee's failure to report military leave pay to the Finance Department shall be cause for disciplinary action.

Where possible, notice is to be provided to the City at least ten (10) working days in advance of the requested leave. If an employee has not yet used his/her fifteen (15) days of paid leave when called to active duty, any unused paid time will be allowed for the active duty time, prior to the unpaid leave of absence.

Reinstatement is based upon duration of military service. An employee returning from military service may apply for employment verbally, or in writing. Employees returning from military service must follow these service guidelines based upon calendar days:

- Up to 30 days: Employees must report to work for the next regularly scheduled shift on the day after release from the military (“release from the military” includes time necessary for safe travel home from the military duty location and eight hours of rest.)
- From 31 to 180 days: Employees must apply for re-employment within 14 days after release.
- More than 181 days: Employees must apply for re-employment within 90 days after release.

Employees returning from military service will be reemployed in the job that they would have attained had they not been absent for military service and with the same seniority, status and pay, as well as other rights and benefits determined by seniority. Unpaid military leave will be considered hours worked for the purpose of vacation leave and sick leave accruals.

Eligibility for continuation of insurance coverage for employees on military leave beyond fifteen (15) days will follow the same procedures as for any employee on an unpaid leave of absence.

5.9 COURT APPEARANCES

Employees will be paid their regular wage to testify in court for City-related business. Any compensation received for court appearances (e.g. subpoena fees) arising out of or in connection with City employment, minus mileage reimbursement, must be turned over to the City.

5.10 JOB RELATED INJURY OR ILLNESS

All employees are required to report any job-related illnesses or injuries to their supervisor immediately (no matter how minor). If a supervisor is not available and the nature of injury or illness requires immediate treatment, the employee is to go to the nearest available medical facility for treatment and, as soon as possible, notify his/her supervisor of the action taken. In the case of a serious emergency, 911 should be called.

If the injury is not of an emergency nature, but requires medical attention, the employee will report it to the supervisor and make arrangements for a medical appointment.

Worker’s compensation benefits and procedures to return to work will be applied according to applicable state and federal laws.

5.11 BONE MARROW DONATION LEAVE

Employees working an average of 20 or more hours per week may take paid sick leave, not to exceed 40 hours unless agreed to by the City, to undergo medical procedures to donate bone marrow. The City may require a physician’s verification of the purpose and length of the leave requested to donate bone marrow. If there is a medical determination that the employee does not qualify as a bone marrow donor, the paid leave of absence granted to the employee prior to that medical determination is not forfeited.

5.12 VICTIM OR WITNESS LEAVE

An employer must allow a victim or witness, who is subpoenaed or requested by the prosecutor to attend court for the purpose of giving testimony, or is the spouse or immediate family member (immediate family member includes parent, spouse, child or sibling of the employee) of such victim, reasonable time off from work to attend criminal proceedings related to the victim's case. See Safety Leave under the Sick Leave Policy for additional information on leave benefits available to employees and certain family members.

5.13 ELECTIONS / VOTING

An employee selected to serve as an election judge pursuant to Minnesota law, will be allowed time off for purposes of serving as an election judge, provided that the employee gives the City at least twenty (20) days written notice and no more than 20% of the total work force at any single worksite is serving as an election judge. The written request to be absent from work must be accompanied by a certification from the appointing authority stating the hourly compensation to be paid the employee for service as an election judge and the hours during which the employee will serve. The City will reduce the salary or wage of the employee by the amount paid to the election judge by the appointing authority during the time the employee was absent from the place of employment.

All employees eligible to vote at a State primary or general election, at an election to fill a vacancy in the office of United States Senator or Representative, or in a Presidential primary, will be allowed time off with pay to vote on the election day. Employees wanting to take advantage of such leave are required to work with their supervisors to avoid coverage issues.

5.15 NURSING MOTHER LEAVE

An employee will be provided reasonable unpaid break time to express breast milk for her child, unless doing so would cause an undue hardship. Breaks already provided may fulfill this requirement.

5.16 DOMESTIC ABUSE AND RESTRAINING ORDER LEAVE

Employees may take reasonable time off from work to obtain or attempt to obtain relief under Minn. Stat. ch. 518B (Domestic Abuse Act) or Minn. Stat. sec. 609.748 (harassment; restraining orders). Except in cases of imminent danger to the health or safety of the employee or the employee's child, or unless impracticable, an employee who is absent from the workplace for this reason shall give 48 hours' advance notice to the City. Upon request of the City, the employee shall provide verification that supports the employee's reason for being absent from the workplace.

5.17 LEAVE DONATION

The City of Cloquet recognizes that a catastrophic or prolonged illness of an employee or immediate family member may deplete an employee's available paid leave (vacation, personal, and sick). This policy is meant to provide employees with the option of voluntarily assisting employees at such a time. The purpose of this program is to provide an employee who has exhausted all paid leave a means of financial assistance through the contributions of vacation, personal, and sick leave accruals from other employees with the express written approval of the City Administrator.

Eligibility:

- A. All regular full-time and part-time employees will be considered eligible to participate in this program.
- B. All exempt and non-exempt, bargaining unit and non-union employees may participate.
- C. An employee will be eligible to receive donated leave only after all of the employee's accrued leave time (vacation, personal, and sick) has been exhausted.

- D. Donation of leave will not be allowed once an employee is judged to be disabled by the major medical condition and will not be returning to work.

Process: To donate time, a prospective donor will indicate the number of hours he/she wishes to donate on Section A of the Leave Donation Request Form and submit the form to the City Administrator.

To receive donated time, the employee receiving time must complete Section B of the Leave Donation Request Form and submit to the City Administrator with the following information:

- A. Request for consideration of leave time donation
- B. Certification from the attending physician or other applicable health care provider that a catastrophic or prolonged illness of the employee or immediate family member exists.
- C. Any additional information that may be required to determine eligibility

The City Administrator will then review the requests. The City Administrator shall have the right to deny use of donated leave time or limit its use, as shall be determined necessary for the good of City operations.

General Information Regarding Leave Donation:

- A. An employee may donate no more than forty (40) hours of leave per calendar year to a single fellow employee per condition/event. This shall not be construed to prohibit donating forty (40) hours per year to additional employees or for additional events. Donations must be on an hour-for-hour basis. The pay levels of the two employees shall not affect the transaction.
- B. No employee will be allowed to receive no more than 360 hours of donated time for any single condition/event without the additional approval of the City Administrator.
- C. The donor must have a minimum of 240 hours of leave time to ensure adequate coverage for his/her own emergency absence.
- D. The maximum number of combined hours that an employee can receive at any one time shall not exceed the estimated time that an employee might be expected to be gone based upon the certification provided by the attending physician.
- E. An employee who donates leave time must understand that the nature of the gift and that the donation/gift will be irrevocable and he/she has no control over how the gift of leave-time is used once donated. The donor also acknowledges that the receiving employee has no obligation to pay it back.
- F. Donated leave time cannot be used for severance pay, deposited into another's leave bank, paid out to an employee in the form of cash, or used in any other manner other than what is stated in this section of the policy.
- G. An employee in the final year of employment before retirement or that has provided notice to the City of their resignation of employment shall not be allowed to donate leave unless the donation can be shown to be to an employee that has a life threatening illness, injury, impairment, or physical condition that a licensed physician certifies as terminal or life threatening such as cancer, major surgery, AIDS, heart attack or which requires inpatient, hospice or residential care.
- H. Use of the donation provisions shall not extend or expand the rights of an employee under the FMLA and/or the State Parenting Leave Act.

- I. This program will not be considered a vested right of any employee. The City specifically retains the right to administer the program in any manner it deems to be in the best interest of the City, including the right to amend, to alter, to further limit or to eliminate the program. No employee will have cause of action or grounds for a grievance against the City as a result of the City's denial of a request, or the City's amendment, alteration, limitation or elimination of the program. Nor will any employee have a right to grieve the program as a result of any fraud or misrepresentation on the part of the recipient and no leave donation will be reinstated for any reason.

5.18 LEAVE OF ABSENCE WITHOUT PAY

The City Administrator may grant a leave of absence without pay not to exceed five (5) consecutive days within any calendar year without loss of benefits, including insurance, upon approval of the department head. All leaves in excess of five (5) days must be approved by the City Council. In no event shall unpaid leave be granted for longer than ninety (90) days, unless special circumstances can be shown. A leave of absence without pay shall only be considered after all other accrued paid leave has been exhausted. Vacation and sick leave shall not accrue, the employee shall not be eligible for holiday pay, no seniority granted, nor shall the City contribute to the cost of insurance premiums for the employee during a leave of more than five (5) days. Employees who take a leave of absence without pay have no right to reinstatement should the circumstances of the City be such that reinstatement cannot be accommodated.

5.19 FAMILY AND MEDICAL LEAVE

A family and/or medical leave of absence is a leave of absence available to eligible employees for up to twelve (12) workweeks of unpaid leave in any twelve (12) month period. **The City of Cloquet utilizes a twelve (12) month "rolling" period measured forward from the date the employee's first FMLA leave begins.**

Types of Leave Covered: Leave may be taken for one or more of the following reasons consistent with applicable law:

- a. Because of the birth of a child and to care for the newborn child.
- b. Because of the placement of a child with the employee for adoption or foster care.
- c. When the employee has a "serious health condition" that makes him/her unable to perform the functions of his/her employment position;
- d. The employee is needed to provide care for the employee's spouse, child, or parent with a serious health condition; and,
- e. For serviceman's qualifying exigency leave.
- f. To care for a covered service member with a serious injury or illness if the employee is the spouse, son, daughter, parent, or next of kin of the service member.

For purposes of this policy, when the reason for the leave is covered by both state and federal regulations, or is covered under the City's workers' compensation insurance provisions, the leave periods under the state, federal and workers' compensation laws will run concurrently. If there are state laws and federal laws which govern a particular situation, the more generous provisions of either law will be deemed to apply. Regardless of the foregoing, an employee who exercises their right to a leave under this policy has no greater right of reinstatement or to other benefits and conditions of employment than if the employee had been continuously employed during the FMLA leave period.

Serious Health Condition: For purposes of qualifying for a leave pursuant to the above typically requires either inpatient care in a hospital, hospice, or residential medical care facility or continuing treatment by or under the

supervision of a health care provider as defined by applicable law. Family and medical leave generally is not intended to cover short term conditions in which treatment and recovery are very brief.

Employees Eligible for Family or Medical Leaves of Absence: Regular full-time and part-time employees who have been employed by the City of Cloquet for at least twelve (12) months and have worked at least 1,250 hours during the twelve (12) month period immediately preceding the commencement of the leave properly requested are eligible for leave under this policy.

For Spouses Who Are Both Employed By The City: If both you and your spouse are employed by the City and are eligible for FMLA leave, you are permitted to take only a combined total of twelve (12) weeks during the applicable twelve (12) month period if the leave is taken for:

- a. Birth of a child, adoption or placement of a child for foster care;
- b. To care for a parent (but not parent-in-law) with a serious health condition.

You may divide the twelve (12) weeks between the two of you in any combination you desire. However, prior notice must be given to the City before the leave commences as to division of time proposed.

In connection with the birth or adoption of a child, each of you may be entitled to up to six (6) weeks of unpaid leave under applicable state law. However, any leave taken in connection with the birth or adoption of a child will count against your entitlement to such leave under applicable law.

With respect to a serious health condition in your family, each of you may use up to twelve (12) workweeks of unpaid leave in the applicable twelve (12) month period to care for your child or spouse who is suffering from a serious health condition, or if the leave is due to your own serious health condition.

Definitions: The following definitions will apply for purposes of implementing this policy:

Parent - The term "parent" means the biological parent of an employee or an individual who stood in loco parentis to an employee when the employee was a son or daughter.

Serious Health Condition - means an illness, injury, impairment, or physical or mental condition that involves:

- (a) inpatient care in a hospital, hospice, or residential medical care facility; or
- (b) continuing treatment by a health care provider

Son or Daughter - means a biological, adopted, or foster child, a stepchild, a legal ward, or a child or a person standing in loco parentis, who is:

- (a) under 18 years of age; or
- (b) 18 years of age or older and incapable of self-care because of a mental or physical disability.

Spouse - means the husband or wife of the employee.

Amount of Leave: An employee found to be eligible for FMLA is entitled to a total of twelve (12) workweeks of unpaid family or medical leave during the applicable twelve (12) month period as determined by the City of Cloquet.

Consistent with the Minnesota Parental Leave Act, an employee that has worked 1,040 hours in the preceding twelve (12) month period may take up to six (6) weeks of unpaid leave for the birth or adoption of a child, if the

employee is the natural or adoptive parent of the child, Minn. Stat. § 181.941, Subd. 1. However, to be entitled to the full twelve (12) week unpaid leave allowed pursuant to the FMLA, an employee must have worked 1,250 hours in the preceding twelve (12) month period as provided in the text of the FMLA policy. It is the stated intent and policy of the City that any leave so exercised pursuant to the Minnesota Parental Leave Act would apply towards the twelve (12) week period allowed by the FMLA to the extent an employee qualifies for both.

The City FMLA policy also provides qualifying employees a total of twenty-six (26) unpaid workweeks of job-protected leave in a single twelve (12) month period to care for an injured service member. In such an instance, the twelve (12) month period will be counted from the first day of use. During that twelve (12) month period, an eligible employee is entitled only to a combined total of twenty-six (26) workweeks of FMLA leave for all purposes provided herein.

Procedure for Requesting Leave: If you know in advance that you will be taking a family or medical leave because of the birth, adoption or placement of a child in your home, or because of a planned medical treatment, you must notify your supervisor at least 30 days in advance. If circumstances beyond your control require that the leave begin in less than 30 days, you must notify your supervisor as soon as practicable. A “Request for Leave of Absence” form must be completed by the employee and returned to their supervisor.

If your request for leave is due to the birth, adoption or placement of a child for foster care, leave must be taken within the twelve (12) month period which starts on the date of such birth or placement for adoption or foster care.

The City reserves the right to delay the start date of the leave request absent timely advance notice. The employee must attempt to schedule foreseeable FMLA leave so as not to unduly disrupt the City’s operations.

Intermittent or Reduced Schedule Leave: Leave requested because of a serious health condition of either a family member or the employee might be taken intermittently or on a reduced schedule if such leave is deemed to be medically necessary. All requests for intermittent leave will be evaluated on a case by case basis. The City will normally require medical certification to support a FMLA leave request either to care for an employee’s seriously ill family member or because of the employee’s own serious health condition.

Leave to care for a newborn or newly placed child (a.k.a. bonding leave) will only be granted in solid blocks of time.

Part-time employees that worked a minimum of 1,250 hours during the preceding twelve (12) month period, are only eligible for a pro-rata portion of leave to be used on an intermittent or reduced schedule basis, based on their average hours worked per week.

Irrespective of the type and length of leave, it is required that while you are on FMLA leave you must report to the City Administrator’s Office every four (4) weeks regarding your status and your intent to return to work upon the conclusion of your leave. You may also be directed to remain in contact with the supervisor or department head at least once a month regarding the status of your leave and your intent to return for purposes of personnel planning.

Where an intermittent or reduced scheduled leave is foreseeable, based on planned medical treatment, the City may transfer the employee temporarily to an available alternative position for which the employee is qualified and which better accommodates recurring periods of leave than does the employee’s regular position. The alternative position to which the employee is transferred must have equivalent pay and benefits.

Certification Required for Medical Leave: If an employee requests a leave for the serious health condition of the employee or the employee's spouse, child or parent, the employee will be required to submit sufficient medical certification of that condition. In such a case, the employee must submit the medical certification within fifteen (15) days from the date of the request, or as soon as is practical under the circumstances, to the City Administrator's Office for consideration.

If the City has reason to doubt the validity of the health care provider's certification, the City may require a second opinion at the City's expense. If the opinions of the first and second health care providers differ, the City may require a certification from a third health care provider, again, at the City's expense.

Use of Accrued Sick Leave, Compensatory Time and Vacation During FMLA: You may use your accumulated sick leave during your Family or Medical Leave provided that the circumstances of the leave make you eligible for the use of sick leave under the City's existing sick leave policy.

It is the policy of the City that an employee is **required** to substitute any accrued paid vacation and/or accrued compensatory time for all or part of the unpaid leave requested under this policy. An employee's election to utilize accrued sick pay takes precedence over the requirement that accrued paid vacation and/or accrued compensatory time be used for unpaid family and medical leave. Accordingly, an employee will be required to substitute accrued vacation and/or accrued compensatory time for unpaid leave only after the employee has used as much accrued sick pay as the employee is entitled to use and actually uses.

The use of accrued sick leave by an employee for leave under the Minnesota Parental Leave Act or FMLA for the birth, adoption, or placement of a child for foster care is permitted for the first two weeks of absence. If an employee wishes to continue the use of accumulated sick leave for this absence the submittal of a "Certification of Health Care Provider" form signed by a Health Care Provider indicating that care for the spouse or child is necessary or due to a serious health condition. If no certification can be provided, an employee must use accrued vacation leave and/or accrued compensatory time before taking unpaid leave as allowed under these rules.

Benefit Continuation: During the period of leave permitted under this policy, *which does not exceed a total of twelve (12) workweeks in the applicable twelve (12) month period except in instances of caring for an injured service member which is up to twenty-six (26) weeks*, health and dental insurance coverage will be maintained at the same level and under the same terms as if the employee continued working. Likewise, an employee on FMLA leave is required to pay their portion of health care premiums as if he/she had remained at work. In cases when an employee on FMLA leave is not receiving a paycheck, the employee must make arrangement with the City for the employee's share of the premium. Employees will be given a thirty (30) day "grace period" after payment of their share of insurance premiums is due. If an employee fails to make their premium payment, the employee will lose coverage and will not be covered for any claims which may have occurred while on FMLA leave. However, an employee may voluntarily choose not to pay the premiums and thus not retain these coverages. The coverages will be reinstated upon the employee's return to work.

The City's obligation to maintain health and dental insurance benefits ceases if and when the employee informs the City of the employee's intent not to return from leave; if the employee fails to return from leave, thereby terminating employment; or if the employee exhausts the employee's FMLA leave entitlement. In most, if not all of these situations, employees will be entitled by law to continue their health care coverage at their own expense under COBRA.

Obligations Upon A Return to Work: Upon return to work after leave for a serious health condition, the employee may be required to present a certification from a health care provider indicating that the employee is able to return to the employee's work activities.

Employees returning from a leave permitted pursuant to this policy (*a leave which does not exceed a total of twelve (12) workweeks in the applicable twelve (12) month period except in instances of an injured service member leave which is up to twenty-six (26) workweeks*) are eligible for reinstatement in the same or in an equivalent position as provided by applicable law. However, the employee has no greater right to reinstatement or to other benefits and conditions of employment than if the employee had been continuously employed during the leave. In addition, reinstatement may not be guaranteed to "key employees" which are salaried employees who are among the highest paid ten (10) percent of all employees employed by the organization within seventy-five (75) miles of the employee's work site.

Employee's Failure to Return to Work: If an employee on FMLA leave decides not to return to work, the employee shall notify the City as soon as it is foreseeable that the employee will not be returning to work.

An employee who chooses not to return to work or is unable to return to work shall be considered to have voluntarily resigned.

Savings Language: The provisions of this Family and Medical Leave Policy are intended to comply with applicable law, including the Family and Medical Leave Act of 1993 (FMLA) and the Minnesota Parental Leave

Act and/or applicable regulations. To the extent that this policy is ambiguous or conflicts with applicable law or existing negotiated collective bargain agreements, it is intended that the language of the applicable law or collective bargain agreement will prevail as to the effected employee.

Activities Prohibited During FMLA: While on leave, an employee may not engage in activities (including employment) which have the same or similar requirements and essential functions of an employee's current position.

While on leave, an employee may not engage in any activity that conflicts with the best interests of the City. Such conduct will result in disciplinary action up to and including termination of employment.

Seniority: Seniority does not accrue during any period of unpaid FMLA except as allowed when the leave is covered by worker's compensation. However, seniority accrued prior to commencement of FMLA leave will not be lost.

5.20 FMLA -- QUALIFIED EXIGENCY AND MILITARY CAREGIVER LEAVE

Qualified Exigency: Eligible employees (described above) whose spouse, son, daughter or parent either has been notified of an impending call or order to covered active military duty or who is already on covered active duty may take up to 12 weeks of leave for reasons related to or affected by the family member's call-up or service.

The qualifying exigency must be one of the following: (1) short-notice deployment, (2) Military events and activities, (3) child care and school activities, (4) financial and legal arrangements, (5) counseling, (6) rest and recuperation, (7) post-deployment activities and (8) additional activities that arise out of active duty, provided that the employer and employee agree, including agreement on timing and duration of the leave.

Military Caregiver Leave: An employee eligible for FMLA leave (described above) who is the spouse, son, daughter, or parent, or next of kin of a covered service member may take up to 26 weeks in a single 12-month period to take care of leave to care for that service member.

The family member must be a current member of the Armed Forces, including a member of the National Guard or Reserves, or a member of the Armed Forces, the National Guard or Reserves who is on the temporary disability retired list, who has a serious injury or illness incurred in the line of duty on active duty for which he or she is undergoing medical treatment, recuperation, or therapy; or otherwise in outpatient status; or otherwise on the temporary disability retired list. Eligible employees may not take leave under this provision to care for former members of the Armed Forces, former members of the National Guard and Reserves, and members on the permanent disability retired list.

Definitions:

A **"son or daughter of a covered service member"** means the covered service member's biological, adopted, or foster child, stepchild, legal ward, or a child for whom the covered service member stood in loco parentis, and who is of any age.

A **"parent of a covered service member"** means a covered service member's biological, adoptive, step or foster father or mother, or any other individual who stood in loco parentis to the covered service member. This term does not include parents "in law."

The **"next of kin of a covered service member"** is the nearest blood relative, other than the covered service member's spouse, parent, son, or daughter, in the following order of priority: blood relatives who have been granted legal custody of the service member by court decree or statutory provisions, brothers and sisters, grandparents, aunts and uncles, and first cousins, unless the covered service member has specifically designated in writing another blood relative as his or her nearest blood relative for purposes of military caregiver leave under the FMLA. When no such designation is made, and there are multiple family members with the same level of relationship to the covered service member, all such family members shall

be considered the covered service member's next of kin and may take FMLA leave to provide care to the covered service member, either consecutively or simultaneously. When such designation has been made, the designated individual shall be deemed to be the covered service member's only next of kin. For example, if a covered service member has three siblings and has not designated a blood relative to provide care, all three siblings would be considered the covered service member's next of kin. Alternatively, where a covered service member has a sibling(s) and designates a cousin as his or her next of kin for FMLA purposes, then only the designated cousin is eligible as the covered service member's next of kin. An employer is permitted to require an employee to provide confirmation of covered family relationship to the covered service member pursuant to § 825.122(j).

“Covered active duty” means:

“Covered active duty” for members of a regular component of the Armed Forces means duty during deployment of the member with the Armed Forces to a foreign country.

“Covered active duty” for members of the **reserve** components of the Armed Forces (members of the U.S. National Guard and Reserves) means duty during deployment of the member with the Armed Forces to a foreign country under a call or order to active duty in a contingency operation as defined in section 101(a)(13)(B) of title 10, United States Code. (a) In the case of a member of a regular component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country.

“Covered service member” means:

A member of the Armed Forces (including a member of the National Guard or Reserves) who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness; or

A veteran who is undergoing medical treatment, recuperation, or therapy, for a serious injury or illness and who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during the period of 5 years preceding the date on which the veteran undergoes that medical treatment, recuperation, or therapy.

“Serious injury or illness means:

In the case of a member of the Armed Forces (including a member of the National Guard or Reserves), means an injury or illness that was incurred by the member in line of duty on active duty in the Armed Forces (or existed before the beginning of the member's active duty and was aggravated by service in line of duty on active duty in the Armed Forces) and that may render the member medically unfit to perform the duties of the member's office, grade, rank, or rating; and

In the case of a veteran who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during a period when the person was a covered servicemember, means a qualifying (as defined by the Secretary of Labor) injury or illness incurred by a covered servicemember in the line of duty on active duty that may render the servicemember medically unfit to perform the duties of his or her office, grade, rank or rating.

Outpatient status, with respect to a covered servicemember, means the status of a member of the Armed Forces assigned to either a military medical treatment facility as an outpatient; or a unit established for the purpose of providing command and control of members of the Armed Forces receiving medical care as outpatients.

Amount of Leave – Qualified Exigency: An eligible employee can take up to 12 weeks of leave for a qualified exigency.

Amount of Leave – Military Caregiver: An eligible employee taking military caregiver leave is entitled to 26 workweeks of leave during a “single 12-month period.” The “single 12-month period” begins on the first day the eligible employee takes FMLA leave to care for a covered service member and ends 12 months after that date.

Leave taken for any FMLA reason counts towards the 26 week entitlement. If an employee does not take all of 26 workweeks of leave entitlement to care for a covered service member during this “single 12-month period,” the remaining part of the 26 workweeks of leave entitlement to care for the covered service member is forfeited.

Certification of Qualifying Exigency for Military Family Leave: The City will require certification of the qualifying exigency for military family leave. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave. This certification will be provided using the DOL Certification of Qualifying Exigency for Military Family Leave.

Certification for Serious Injury or Illness of Covered Service member for Military Family Leave: The City will require certification for the serious injury or illness of the covered service member. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave. This certification will be provided using the DOL Certification for Serious Injury or Illness of Covered service member

All other provisions of the FMLA policy, including Use of Paid Leave, Employee status and benefits during leave, the Procedure for Requesting Leave, Benefits during Leave and Reinstatement, are outlined above in the FMLA policy.

SECTION 6, EMPLOYMENT POLICIES

6.1 EMPLOYEE RESPONSIBILITIES

Each employee has direct responsibility to their supervisor. Any questions as to certain phases of work, working conditions, problems, clarification of duties or other matters are to be initially taken directly to their supervisor by the employee or designated representative.

6.2 CONDUCT AS A CITY EMPLOYEE

In accepting City employment, employees become representatives of the City and are responsible for assisting and serving the citizens for whom they work. An employee's primary responsibility is to serve the residents of Cloquet. Employees should exhibit conduct that is ethical, professional, responsive, and of standards becoming of a City employee. To achieve this goal, employees must adhere to established policies, rules, and procedures and follow the instructions of their supervisors.

The following are job requirements for every position at the City of Cloquet. All employees are expected to:

- Perform assigned duties to the best of their ability at all times.
- Render prompt and courteous service to the public at all times.
- Read, understand and comply with the rules and regulations as set forth in these Personnel Policies as well as those of their departments.
- Conduct themselves with decorum toward both residents and staff and respond to inquiries and information requests with patience and every possible courtesy.
- Report any and all unsafe conditions to the immediate supervisor.
- Maintain good attendance.

Employees are expected to use available working hours to the best advantage in carrying out work related duties. The conduct of an employee on the job shall be such that it does not bring negative public opinion about the City.

City employees have the right to express their views and to pursue legitimate involvement in the political system. However, no city employee will directly or indirectly, during hours of employment, solicit or receive funds for political purposes. Further, any political activity in the workplace must be pre-approved by the city to avoid any conflict of interest or perception of bias such as using authority or political influence to compel another employee to apply for or become a member in a political organization.

6.3 HANDLING CITIZENS' COMPLAINTS

Citizens' complaints provide an opportunity for feedback and identifying problem areas. How well complaints are handled determines the level of confidence and respect the public holds for its municipal government. When handling a complaint, be polite and never argue with the complainant even if he/she is angry, unreasonable or insulting towards you and the City. Stay calm, cool and collected.

- A. When you receive a complaint, it is very important to follow through properly. This can be accomplished by doing the following:
 - 1. Receive and record information pertinent to the complaint.

2. Determine which City employee is responsible to investigate and take corrective action and forward the complaint accordingly.

6.4 CONFLICT OF INTEREST

City employees are to remove themselves from situations in which they would have to take action or make a decision where that action or decision is or may be perceived as a conflict of interest. If an employee has any questions about whether such a conflict exists he/she should consult with the City Administrator.

Definitions: The following terms have the following meanings in this policy:

Gift means money, real or personal property, a service, a loan, a forbearance or forgiveness of indebtedness, or a promise of future employment, that is given and received without the giver receiving consideration of equal or greater value in return.

Interested Person means a person or a representative of a person or association that has a direct financial interest in a decision that a local official is authorized to make.

Local official means an elected or appointed official of a county or city or of an agency, authority, or instrumentality of a county or city.

Gift Prohibitions: Employees in the course of or in relation to their official duties shall not directly or indirectly receive or agree to receive any payment of expense, compensation, gift, reward, gratuity, favor, service or promise of future employment or other future benefit from any source, except the City for any activity related to the duties of the employee unless otherwise provided by law.

However, the prohibitions do not apply if:

- A. a contribution as defined in section 211A.01, subdivision 5 of Minnesota State Statute;
- B. services to assist an official in the performance of official duties, including but not limited to providing advice, consultation, information, and communication in connection with legislation, and services to constituents;
- C. services of insignificant monetary value;
- D. a plaque or similar memento recognizing individual services in a field of specialty or to a charitable cause;
- E. a trinket or memento costing \$5 or less;
- F. informational material of unexceptional value; or
- G. food or a beverage given at a reception, meal, or meeting away from the recipient's place of work by an organization before whom the recipient appears to make a speech or answer questions as part of a program.

The prohibitions do not apply if the gift is given:

- A. because of the recipient's membership in a group, a majority of whose members are not local officials, and an equivalent gift is given or offered to the other members of the group;
- B. by an interested person who is a member of the family of the recipient, unless the gift is given on behalf of someone who is not a member of that family; or

- C. by a national or multistate organization of governmental organizations or public officials, if a majority of the dues to the organization are paid from public funds, to attendees at a conference sponsored by that organization, if the gift is food or a beverage given at a reception or meal and an equivalent gift is given or offered to all other attendees.

Department heads shall be responsible for determining whether or not a gift or service falls within this exemption.

In the event there is a question or as to whether a gift or service is exempt, the department head should consult with the City Administrator. The City Administrator's determination shall be final.

The department heads will coordinate with the City Administrator to track gifts and services. The City Administrator shall periodically review with the department heads the gifts and services their employees are receiving. From these reviews, the City Administrator will develop policies and guidelines to ensure that this exemption is being applied consistently and in keeping with the spirit and intent of this policy.

Disposition of gifts: Any gift not authorized by this subdivision may be returned to the donor or transmitted to the Finance Director or turned over to the City to be used by the City or to be sold, with the proceeds of such sale deposited into the general fund of the City. The Finance Director shall be notified within seven (7) days of the receipt of any non-monetary property not authorized by this subdivision.

More restrictive measures: Department heads may adopt more restrictive measures dealing with the definition of the word "gift" and prohibitions on the acceptance of gifts. Such measures must be in writing, must be reviewed by the City Attorney, and approved by the City Administrator.

Conflicts Prohibitions: No person covered by this policy shall engage in any conflict of interest. A "conflict" of interest shall be defined as follows:

- A. Engaging in a business or transaction which is incompatible with the proper discharge of the person's official duties or which would tend to impair the person's independent judgment or action in the performance of his official duties.
- B. Holding a direct or indirect financial interest which is incompatible with the proper discharge of the person's official duties or which would tend to impair the person's independent judgment or action in the performance of his official duties. A financial interest includes ownership of stocks, bonds, notes or other securities.
- C. Having a direct or indirect personal interest which is incompatible with the proper discharge of the person's official duties or which would tend to impair the person's independent judgment or action in the performance of his official duties.
- D. For City employees, the holding of a private or other public position in addition to the person's primary public position which interferes or may interfere with the proper discharge of the public duty.
- E. Use of confidential information, obtained as a result of public position, for personal gain.
- F. Holding investments which will or may interfere with the proper discharge of public duty.
- G. Representation for profit of private interests before City governmental agencies.
- H. Participation as a public representative in a City transaction in which the person has a direct or indirect financial or other personal interest.

Enforcement: A violation of this policy shall be grounds for disciplinary action. Nothing contained herein shall be construed as preventing prosecution under applicable state laws.

6.5 RESPECTFUL WORKPLACE POLICY

The intent of this policy is to provide general guidelines about the conduct that is and is not appropriate in the workplace. The City acknowledges that this policy cannot possibly predict all situations that might arise, and also recognizes that some employees are exposed to disrespectful behavior, and even violence, by the very nature of their jobs.

Applicability: Maintaining a respectful work environment is a shared responsibility. This policy is applicable to all City personnel including regular and temporary employees, volunteers, and City Council members.

Abusive Customer Behavior: While the City has a strong commitment to customer service, the City does not expect that employees accept verbal abuse from any customer. An employee may request that a supervisor intervene when a customer is abusive, or they may defuse the situation themselves, including ending the contact.

If there is a concern over the possibility of physical violence, a supervisor should be contacted immediately. When extreme conditions dictate, 911 may be called. Employee should leave the area immediately when violence is imminent unless their duties require them to remain. Employees must notify their supervisor about the incident as soon as possible.

Types of Disrespectful Behavior: The following types of behaviors cause a disruption in the workplace and are, in many instances, unlawful:

Violent behavior includes the use of physical force, harassment, or intimidation.

Discriminatory behavior includes inappropriate remarks about or conduct related to a person's race, color, creed, religion, national origin, disability, sex, marital status, age, sexual orientation, or status with regard to public assistance.

Offensive behavior may include such actions as: rudeness, angry outbursts, inappropriate humor, vulgar obscenities, name calling, disrespectful language, or any other behavior regarded as offensive to a reasonable person. It is not possible to anticipate in this policy every example of offensive behavior. Accordingly, employees are encouraged to discuss with their fellow employees and supervisor what is regarded as offensive, taking into account the sensibilities of employees and the possibility of public reaction. Although the standard for how employees treat each other and the general public will be the same throughout the city, there may be differences between work groups about what is appropriate in other circumstances unique to a work group. If an employee is unsure whether a particular behavior is appropriate, the employee should request clarification from their supervisor or the City Administrator.

Sexual harassment can consist of a wide range of unwanted and unwelcome sexually directed behavior such as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

- Submitting to the conduct is made either explicitly or implicitly a term or condition of an individual's employment; or
- Submitting to or rejecting the conduct is used as the basis for an employment decision affecting an individual's employment; or
- Such conduct has the purpose or result of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment.

Sexual harassment includes, but is not limited to, the following:

- Unwelcome or unwanted sexual advances. This means stalking, patting, pinching, brushing up against, hugging, cornering, kissing, fondling or any other similar physical contact considered unacceptable by another individual.
- Verbal or written abuse, kidding, or comments that are sexually-oriented and considered unacceptable by another individual. This includes comments about an individual's body or appearance where such comments go beyond mere courtesy, telling "dirty jokes" or any other tasteless, sexually oriented comments, innuendos or actions that offend others.
- Requests or demands for sexual favors. This includes subtle or obvious expectations, pressures, or requests for any type of sexual favor, along with an implied or specific promise of favorable treatment (or negative consequence) concerning one's current or future job.

Names and Pronouns: Every employee will be addressed by a name and by pronouns that correspond to the employee's gender identity. A court ordered name or gender changes is not required.

Employee Response to Disrespectful Workplace Behavior: Employees who believe that disrespectful behavior is occurring are encouraged to deal with the situation in one of the ways listed below. However, if the allegations involve violent behavior, sexual harassment, or discriminatory behavior, then the employee is responsible for taking one of the actions below. If employees see or overhear a violation of this policy, they are encouraged to follow the steps below:

Step 1(a). Politely, but firmly, tell whoever is engaging in the disrespectful behavior how you feel about their actions. Politely request the person to stop the behavior because you feel intimidated, offended, or uncomfortable. If practical, bring a witness with you for this discussion.

Step 1(b). If you fear adverse consequences could result from telling the offender or if the matter is not resolved by direct contact, go to your supervisor or City Administrator. The person to whom you speak is responsible for documenting the issues and for giving you a status report on the matter no later than ten business days after your report.

Step 1(c). In the case of violent behavior, all employees are required to report the incident immediately to their supervisor, City Administrator or Police Department. Any employee who observes sexual harassment or discriminatory behavior, or receives any reliable information about such conduct, must report it within two business days to a supervisor or the City Administrator.

Step 2. If, after what is considered to be a reasonable length of time (for example, 30 days), you believe inadequate action is being taken to resolve your complaint/concern, the next step is to report the incident to the City Administrator or the Mayor.

Supervisor's Response to Allegations of Disrespectful Workplace Behavior: Employees who have a complaint of disrespectful workplace behavior will be taken seriously.

In the case of sexual harassment or discriminatory behavior, a supervisor must report the allegations within two business days to the City Administrator, who will determine whether an investigation is warranted. A supervisor must act upon such a report even if requested otherwise by the victim. In situations other than sexual harassment and discriminatory behavior, supervisors will use the following guidelines when an allegation is reported:

Step 1. If the nature of the allegations and the wishes of the victim warrant a simple intervention, the supervisor may choose to handle the matter informally. The supervisor may conduct a coaching session with the offender, explaining the impact of his/her actions and requiring that the conduct not reoccur. This approach is particularly appropriate when there is some ambiguity about whether the conduct was disrespectful.

Step 2. If a formal investigation is warranted, the individual alleging a violation of this policy will be interviewed to discuss the nature of the allegations. The person being interviewed may have someone of his/her own choosing present during the interview. The investigator will obtain the following description of the incident, including date, time and place:

- Corroborating evidence.
- A list of witnesses.
- Identification of the offender.

Step 3. The supervisor must notify the City Administrator about the allegations.

Step 4. As soon as practical after receiving the written or verbal complaint, the alleged policy violator will be informed of the allegations. The alleged violator will have the opportunity to answer questions and respond to the allegations.

Step 5. After adequate investigation and consultation with the appropriate personnel, a decision will be made regarding whether or not disciplinary action will be taken.

Step 6. The alleged violator and complainant will be advised of the findings and conclusions as soon as practicable.

Special Reporting Requirements: When the supervisor is perceived to be the cause of a disrespectful workplace behavior incident, a report will be made to the City Administrator who will assume the responsibility for investigation and discipline.

If the City Administrator is perceived to be the cause of a disrespectful workplace behavior incident, a report will be made to the City Attorney who will confer with the Mayor and City Council regarding appropriate investigation and action.

If a Council Member is perceived to be the cause of a disrespectful workplace behavior incident involving City personnel, the report will be made to the City Administrator and referred to the City Attorney who will undertake the necessary investigation. The City Attorney will report his/her findings to the City Council, which will take the action it deems appropriate.

Pending completion of the investigation, the City Administrator may at his/her discretion take appropriate action to protect the alleged victim, other employees, or citizens.

Confidentiality: A person reporting or witnessing a violation of this policy cannot be guaranteed anonymity. The person's name and statements may have to be provided to the alleged offender. All complaints and investigative materials will be contained in a file separate from the involved employees' personnel files. If disciplinary action does result from the investigation, the results of the disciplinary action will then become a part of the employee(s) personnel file(s).

Retaliation: Consistent with the terms of applicable statutes and City personnel policies, the City may discipline any individual who retaliates against any person who reports alleged violations of this policy. The City may also discipline any individual who retaliates against any participant in an investigation, proceeding or hearing relating to the report of alleged violations. Retaliation includes, but is not limited to, any form of intimidation, reprisal, or harassment.

Workplace Relationships: The City does not wish to intrude into the private lives of employees. We recognize there is the increased potential for conflicts of interest, appearance of favoritism and risk of claims of sexual harassment when employees develop close personal relationships with each other. In order to protect the City and its employees, this policy provides directions on how to manage situations when employees develop close personal relationships with each other. For purposes of this policy, a personal relationship is a relationship of a romantic or intimate nature or of a character that it could result in an allegation of conflict of interest or inappropriate behavior.

An employee engaged in a personal relationship with another employee with whom he or she shares either a direct or indirect supervisory role should promptly disclose the relationship to the City Administrator.

6.6 APPEARANCE AND DRESS GUIDELINES

Employees are asked to dress in a professional manner at all times.

For office employees, “business casual” is the minimum acceptable standard employees should adhere to at all times unless granted a casual Friday type day. In general, business casual means dressing professionally, looking relaxed, yet neat and pulled together.

Business casual dress is a middle ground between business formal wear and casual wear. The following are examples of appropriate workplace apparel:

- For women: A reasonable length skirt (no more than 2.5” above the top of the knee) or slacks of a non-jeans material combined with a top (such as a dress shirt, polo or sweater set) is considered acceptable. An informal dress with appropriate skirt length (no more than 2.5” above the top of the knee) is also acceptable. Capris must be below the knees. Wear classic pump-style shoes or other conservative/professional styles. Heels should be no more than three inches high; flats are also appropriate. Shoes should always be clean, comfortable and polished.
- For men: A combination of collared shirt (such as a dress shirt or polo shirt), cotton or wool trousers (such as khakis or blue, green, brown, or black slacks) with a belt. Jeans are not acceptable business casual attire. A blazer or business jacket can optionally be added. Men should also wear closed toe and closed heel shoes with socks.

At times, based on job and situation, you may be required to wear business formal attire. For men this consists of a nice suit with dress shirt and tie. Business formal wear for women is similar, involving suits, closed toe dress shoes and minor variations from men's formal business wear.

For operational/non-office/engineering employees working in the field, clothing must always be clean, neat, and in good repair. All employees should dress in a reasonable manner that is appropriate to their job and use good judgment when choosing attire. Shirts, pants (no sweat pants), jeans, dresses, tank tops, and skirts are permitted when appropriate to duties. Shoes are required at all times. Visible subject matter on shirts may not detract from a professional image.

For Additional Library Staff, clothing must always be clean, neat, and in good repair. All employees should dress in a professional but reasonable manner that is appropriate to their assigned (daily) tasks. Shirts, pants (no sweat pants), dresses, capris, denim and skirts may all be appropriate attire based on duties and programming. (shoes are required at all times). Business casual should be worn unless performing tasks that require physical activity (i.e. shelving books), or conducting programming that involves special attire (e.g. “Paul Bunyan” day or winter readings). Given the variety of work performed at the library, good judgement will be relied upon in selection of attire. When in question, the Library Director will be the final say on what is appropriate for tasks assigned.

Applicable to All: Unacceptable for all employees; rumpled or ripped clothing, shorts of any length, yoga pants, tops, miniskirts, underwear as outerwear or inappropriately revealing attire such as bare midriffs.

Personal Appearance

The public, including our customers, draw conclusions about the effectiveness of the City based on the image our employees present while at work and while wearing City uniform/protective items. Therefore, all clothing and accessories must present the proper image at all times while at work and or conducting City business. We also ask that you always be considerate of co-workers and/or guests. If an employee's personal appearance or hygiene is offensive to co-workers or customers the employee will be required to correct the behavior.

Body Alteration or Modification –Employees shall not, during their employment, intentionally alter their body in a way that results in a visible, physical effect that detracts from a professional business image.

Tattoos/Brands – Visible tattoos/brands anywhere on the body that are obscene or advocate sexual, racial, ethnic, or religious discrimination are prohibited.

Hair - must be clean, well-groomed and neat. It cannot be worn in such a way that it would violate safety requirements.

Cosmetics –Cosmetics, if any, shall be worn in a manner appropriate to the work place

Facial Hair - City employees may wear beards, goatees and mustaches that are neatly trimmed provided all safety gear can be properly worn. Facial hair must be well kept. Goatees and beards must be kept trimmed above the neckline (above the adam's apple). Artwork shaven in facial hair is unacceptable.

Employees who do not meet the standards of this policy will be required to take corrective action, which may include leaving the premises. Any work time missed because of failure to comply with this policy will not be compensated.

6.7 COMMUNICATIONS

Purpose: The City of Cloquet strives to provide the public accurate and timely information, communicated in a professional manner, and in accordance with the laws regarding public information and data practices.

The policy provides guidelines for all external communications from the city using various mediums including:

- Printed materials such as newsletters, articles, and brochures.
- Electronic materials such as email, postings to websites or social media sites.
- Media relations such as requests for interviews, news releases, and media inquiries.

The city also recognizes that employees may sometimes comment on city matters outside of their official role as an employee of the City of Cloquet. Therefore, this policy also provides informal guidelines for employees when communicating as a private citizen on matters pertaining to city business. Such guidelines are and will not be applied in such a manner that violates constitutional First Amendment rights or rights to concerted activity and communication under Section 7 of the NLRA.

General Guidelines for all Communications (Official and Personal): All city employees have a responsibility to help communicate accurate and timely information to the public in a professional manner. An employee who identifies a mistake in reporting should bring the error to the City Administrator or other appropriate staff.

Regardless of whether the communication is in the employee's official city role or in a personal capacity, employees must comply with all laws related to trademark, copyright, software use etc. Employees must also follow all city policies that may apply. Examples of relevant policies include:

- **Computer Use Policy.** For example, city employees may use city technology for personal reasons on a limited basis provided it doesn't interfere with normal work. The city reserves the right to inspect any electronic data made by a city owned computer or related system. This policy should be reviewed and complied with in full.

- **Respectful Workplace Policy.** For example, employees cannot publish information that is discriminatory, harassing, threatening, or sexually explicit. This policy should be reviewed and complied with in full.
- **Government Data Practices Act.** For example, employees cannot disclose private or confidential information and must route data practices requests to the responsible authority. This policy should be reviewed and complied with in full.
- **Political Activity Policy.** For example, employees cannot use city resources or participate in personal political activity while on city time or while discharging city responsibilities. No employee may act in a manner that suggests that the city either supports a particular candidate or political issue, or endorses the personal political opinions of the employee. This policy should be reviewed and complied with in full.

ADDITIONAL GUIDELINES FOR OFFICIAL CITY COMMUNICATIONS

Handling General Requests: All staff are responsible for communicating basic and routine information to the public in relation to their specific job duties. Requests for private data or information outside the scope of an individual's job duties should be routed to the appropriate department or to the City Administrator.

Handling Media Requests: With the exception of routine events and basic information that is readily available to the public, all requests for interviews or information from the media are to be routed through the City Administrator. Media requests include anything intended to be published or viewable to others in some form such as television, radio, newspapers, newsletters, and websites. When responding to media requests, employees should follow these steps:

1. If the request is for routine or public information (such as a meeting time or agenda) provide the information and notify the City Administrator of the request.
 2. If the request is regarding information about city personnel, potential litigation, controversial issues, an opinion on a city matter, or if you are unsure if it is a "routine" question, forward the request to the City Administrator. An appropriate response would be, "I'm sorry, I don't have the full information regarding that issue. Let me take some basic information and submit your request to the appropriate person who will get back to you as soon as he/she can."
- Ask the media representative's name, questions, deadline, and contact information.

Communicating on behalf of the city: The City Administrator and department heads are authorized to communicate on behalf of the city in interviews, publications, news releases, on social media sites, and related communications. Other employees may represent the city if approved by one of these individuals to communicate on a specific topic. When speaking on behalf of the city:

- Employees must identify themselves as representing the city. Account names on social media sites must clearly be connected to the city and approved by the City Administrator.
- All information must be respectful, professional and truthful. Corrections must be issued when needed.
- Personal opinions generally don't belong in official city statements. One exception is communication related to promoting a city service. For example, should the City of Cloquet operate a Facebook page, if an employee posted on the city's Facebook page, "My family visited Hill Park this weekend and really enjoyed the new band shelter." Employees who have been approved to use social media sites on behalf of the city should seek assistance from the City Administrator on this topic.

- Employees need to notify the City Administrator if they will be using their personal technology (cell phones, home computer, cameras, etc.) for city business. Employees should be aware that the data transmitted or stored may be subject to the Data Practices Act.

ADDITIONAL GUIDELINES FOR PERSONAL COMMUNICATIONS

Personal communications of employees may reflect on the city, especially if employees are commenting on city business. The following guidelines apply to personal communications including various forms such as social media (Facebook, Twitter, blogs, YouTube, etc.), letters to the editor of newspapers, and personal endorsements.

- Remember that what you write is public and will be so for a long time. It may also be spread to large audiences. Use common sense when using email or social media sites. It is a good idea to refrain from sending or posting information that you would not want your boss or other employees to read, or that you would be embarrassed to see in the newspaper.
- The City of Cloquet expects its employees to be truthful, courteous and respectful towards supervisors, co-workers, citizens, customers and other persons associated with the city. Do not engage in name calling or personal attacks.
- If you publish something related to city business, identify yourself and use a disclaimer such as, “I am an employee of the City of Cloquet. However, these are my own opinions and do not represent those of the City of Cloquet.
- City resources, working time, or official city positions cannot be used for personal profit or business interests, or to participate in personal political activity. For example, a building inspector could not use the city’s logo, email, or working time to promote his/her side business as a plumber.
- Personal social media account names or email names should not be tied to the city (e.g. CityCloquetCop)

6.8 SMOKING

General Policy Statement: The City of Cloquet has a right and duty to provide a safe and healthy work environment for each employee. Because smoking, secondhand smoke, and all other tobacco related products including smokeless tobacco, cigars, electronic pipes or any other electronic smoking devices, adversely affect employees, policy procedures have been developed to guide managers and employees in a tobacco-free work environment. This policy is in compliance with the requirements of the Minnesota Clean Indoor Air Act.

General Procedures:

- A. The smoking of any tobacco or tobacco related product/substitute is prohibited in or on any City real and personal property and City worksites except in outdoor designated smoking areas that are a minimum 30 foot distance from any door or worksite.
- B. The smoking or use of any tobacco or tobacco related product is prohibited in all vehicles owned by the City of Cloquet.
- C. Smoking includes carrying a lighted cigarette, cigar, pipe, vaping with e-cigarettes, and the use of chewing tobacco.

Accountability: Department Heads and supervisors are accountable for effectively administering policy procedures and standard disciplinary action.

6.9 DISCIPLINE, SUSPENSION AND DISMISSAL

General Policy: Supervisors are responsible for maintaining compliance with city standards of employee conduct. The objective of this policy is to establish a standard disciplinary process for employees of the City of Cloquet. City employees will be subject to disciplinary action for failure to fulfill their duties and responsibilities at the level required, including observance of work rules and standards of conduct and applicable city policies.

Discipline will be administered in a non-discriminatory manner. An employee who believes that discipline applied was either unjust or disproportionate to the offense committed may pursue a remedy through the grievance procedures established in the city's personnel policies. The supervisor and/or the city administrator will investigate any allegation on which disciplinary action might be based before any disciplinary action is taken. The objective of this policy is to establish a recommended guide for disciplinary action for City employees.

The City retains sole discretion to determine what conduct warrants disciplinary action and what type and level of disciplinary action will be imposed.

No Contract Language Established: This policy is neither to be construed as contractual terms of employment nor to establish terms and conditions of employment. Rather, it is intended to serve only as an informative guide for the administration of employment discipline.

No Just Cause Standard Established for At Will Employees: Nothing in this policy implies that any City employee has a property right to the job he/she performs. Nor shall this policy operate to restrain the City's authority to terminate the employment of at will employees at any time for any reason.

Process: The city may elect to use progressive discipline, a system of escalating responses intended to correct the negative behavior rather than to punish the employee. There may be circumstances that warrant deviation from the suggested order or where progressive discipline is not appropriate. Nothing in these personnel policies implies that any city employee has a contractual right or guarantee (also known as a property right) to the job he/she performs.

Documentation of disciplinary action taken regarding an employee will be placed and remain in the employee's personnel file in compliance with Minnesota law. A copy of the disciplinary action will be provided to the employee in cases of discipline where the level of discipline includes or is more severe than a written reprimand.

The following are descriptions of the various types of disciplinary actions that might be taken with regard to employee performance or misconduct, each subject to collective bargaining agreements when applicable. This list is not intended to be exhaustive:

- A. **Oral Reprimand.** An oral reprimand may be issued where informal discussions with the employee's supervisor have not resolved the matter of concern. All supervisors have the ability to issue oral reprimands without prior approval.

Oral reprimands are normally given for first infraction on minor offenses to clarify employee expectations and to put the employee on notice that the performance or behavior at issue needs to change, and what change(s) are expected. The supervisor will document the oral reprimand on the City's "Employee Warning" form and provided to HR for file in the employee's personnel file.
- B. **Written Reprimand.** A written reprimand is more serious than an oral reprimand and may follow an oral reprimand or be used in response to a series of related or unrelated infractions. A second or more serious infraction of the same nature may require skipping either the oral or written reprimand, or both. Written reprimands may be issued by the supervisor with the prior approval of the City Administrator. All written reprimands will be documented on the City's "Employee Warning" form and provided to HR for file in the employee's personnel file.
- C. **Suspension With or Without Pay.** Suspension with or without pay is more serious than a written reprimand and may follow a written reprimand or be used in response to a series of related or

unrelated infractions. An employee may be suspended with or without pay by the City Administrator.

The employee will be notified in writing of the reason for the suspension either prior to the suspension or shortly thereafter. A copy of the letter of suspension will be placed in the employee's personnel file.

An employee may be suspended or placed on involuntary leave of absence pending an investigation of an allegation involving that employee. The leave may be with or without pay depending on a number of factors including the nature and the severity of the allegations or if the employee's presence at work may interfere with the operations, finances or safety and security of workplace.

- D. **Demotion and/or Transfer.** Demotion and/or Transfer is more serious than a suspension and may follow a suspension or be used in response to a series of related or unrelated infractions. An employee may be demoted or transferred if attempts at resolving an issue have failed, or it involves a serious issue, and the City Administrator determines a demotion or transfer to be the best solution to the problem. The employee must be qualified and able to perform the functions for the position to which they are being demoted or transferred.
- E. **Salary or Compensation Adjustment.** An employee's salary increase may be withheld due to performance deficiencies or misconduct.
- F. **Dismissal/Termination.** Dismissal/Termination is the most serious form of discipline. The City Administrator, with the approval of the City Council, may terminate an employee for reasons including but not limited to substandard work performance, serious misconduct, or behavior not in keeping with City standards as the reasonable conclusion of progressive discipline when applicable.

Conduct Subject to Discipline: The following are examples of misconduct that may be subject to discipline, but are not limited to:

- A. Incompetence or inefficiency in performance of duties.
- B. Conviction of a felony or gross misdemeanor if adversely impacts employment consistent with law.
- C. Violation of any lawful or official work or safety rule, regulation or City Ordinance.
- D. Reporting for work and/or working on the job while under the influence of alcohol, drugs or other controlled substances.
- E. The use of offensive language or offensive or inappropriate conduct directed toward the public, municipal officers or employees.
- F. Carelessness and/or negligence in the handling or control of municipal property or property entrusted to the employee by the City.
- G. Inducing or attempting to induce a person, officer, or employee of the City to commit an unlawful act or to act in violation of any lawful and reasonable official regulation, policy or order.
- H. Dishonesty in the performance of employment duties.
- I. Failure to report to work, refusal to work as assigned and directed, or other acts of insubordination, unless such refusal is based on a reasonable belief on the part of the employee that such work is unsafe, illegal, or in violation of a collective bargaining agreement.

- J. Acceptance of a gift under circumstances from which it could be inferred that the giver expected or hoped for preferred or favorable treatment in the conduct of City business.
- K. Unapproved use of paid work time and/or equipment in outside employment or for personal benefit.
- L. Claiming paid sick leave for reasons other than those provided or for reasons not permitted by policy.
- M. Being habitually absent or tardy for any reason.
- N. Failure to perform assigned work in an efficient or effective manner.
- O. Being wasteful of material, property or working time.
- P. Inability to get along with fellow employees so that the work being done is hindered and not up to required levels.
- Q. Conduct on the job which violates the common decency.
- R. Making derogatory or false accusations to discredit other employees or supervisors.
- S. Dishonesty, including intentionally giving false information, intentionally falsifying records or making false statements when applying for employment.
- T. Divulging or misusing information, designated or known to be confidential, including removal from City premises without proper authorization, any employee lists, records, designs, drawings or confidential information of any kind.
- U. Other incidents which constitute cause for employment discipline.

Processing of a Grievance: Subject to processes set forth in collective bargaining agreements when applicable disputes between an employee and the City relative to the application, meaning or interpretation of these personnel policies may be settled in the following manner:

Step 1: The employee must present the grievance in writing, stating the nature of the grievance, the facts on which it is based, the provision or provisions of the personnel policies allegedly violated and the remedy requested, to the proper supervisor within twenty-one (21) days after the alleged violation or dispute has occurred. The supervisor will respond to the employee in writing within seven (7) calendar days.

Step 2: If the grievance has not been settled in accordance with Step 1, it must be presented in writing, stating the nature of the grievance, the facts on which it is based, the provision or provisions of the Personnel Policies allegedly violated, and the remedy requested, by the employee to the city administrator within seven (7) days after the supervisor's response is due. The city administrator or his/her designee will respond to the employee in writing within seven (7) calendar days. The decision of the city administrator is final for all disputes.

Limitations: An employee grievance that is based on provisions covered in a collective bargaining agreement (labor contract) shall be resolved in accordance with the procedures defined in that labor contract. Issues not covered in the labor contract, but which apply to the affected employee under these policies, may be pursued under these procedures.

An employee who commences a grievance proceeding under the provisions of a labor contract is precluded from grieving the same issue a second time under this policy. It is not the intention of the City Council by establishing

the grievance policy herein to thereby grant an aggrieved employee a second opportunity to litigate an issue that has already been litigated in any other administrative or judicial proceeding.

Waiver: If a grievance is not presented within the time limits set forth above, it shall be considered "waived". If a grievance is not appealed to the next step within the specified time limit or any agreed extension thereof, it shall be considered settled on the basis of the City's last answer. If the City does not answer a grievance or an appeal thereof within the specified time limits, the employee may elect to treat the grievance as denied at that step and immediately appeal the grievance to the next step. The time limit in each step may be extended by mutual agreement of the City and the employee without prejudice to either party.

The following actions cannot be grieved:

- A. Investigations into disciplinary issues, prior to action
- B. Assignment of duties to positions or to job classes
- C. Salary or wage adjustments
- D. Performance evaluations
- E. Verbal or written reprimands
- F. Actions discussed or proposed, but not taken
- G. This policy itself, or changes to this policy made by the City Council
- H. Termination of probationary or temporary employees
- I. Extension of probationary periods of evaluation up to a maximum of 12 calendar months

The above list is not meant to be all inclusive or exhaustive.

SECTION 7, OTHER POLICIES

7.1 REASONABLE ACCOMMODATION FOR DISABILITY

The City is committed to the fair and equal employment of people with disabilities. Reasonable accommodation is the key to this non-discrimination policy. While many individuals with disabilities can work without accommodation, other qualified applicants and employees face barriers to employment without the accommodation process. It is the policy of the City to reasonably accommodate qualified individuals with disabilities unless the accommodation would impose an undue hardship. In accordance with the Minnesota Human Rights Act and the Americans with Disabilities Act, accommodations will be provided to qualified individuals with disabilities when such accommodations are directly related to performing the essential functions of a job, competing for a job, or to enjoy equal benefits and privileges of employment. This policy applies to all applicants, employees, and employees seeking promotional opportunities.

Definition:

Disability: For purposes of determining eligibility for a reasonable accommodation, a person with a disability is one who has a physical or mental impairment that materially or substantially limits one or more major life activities.

Reasonable accommodation: A reasonable accommodation is a modification or adjustment to a job, an employment practice, or the work environment that makes it possible for a qualified individual with a disability to enjoy an equal employment opportunity.

Examples of accommodations may include acquiring or modifying equipment or devices; modifying training materials; making facilities readily accessible; modifying work schedules; and reassignment to a vacant position.

Reasonable accommodation applies to three aspects of employment:

- A. To assure equal opportunity in the employment process;
- B. To enable a qualified individual with a disability to perform the essential functions of a job; and
- C. To enable an employee with a disability to enjoy equal benefits and privileges of employment.

Procedure - Current employees and employees seeking promotion.

- A. The City will inform all employees that this accommodation policy can be made available in accessible formats.
- B. The employee shall inform the City Administrator of the need for an accommodation.
- C. The City Administrator may request documentation of the individual's functional limitations to support the request. Any medical documentation must be collected and maintained on separate forms and in separate, locked files. No one will be told or have access to medical information unless the disability might require emergency treatment.

- D. When a qualified individual with a disability has requested an accommodation, the employer shall, in consultation with the individual:
1. Discuss the purpose and essential functions of the particular job involved. Completion of a step-by-step job analysis may be necessary.
 2. Determine the precise job related limitation.
 3. Identify the potential accommodations and assess the effectiveness each would have in allowing the individual to perform the essential functions of the job.
 4. Select and implement the accommodation that is the most appropriate for both the individual and the employer. While an individual's preference will be given consideration, the City of Cloquet is free to choose among equally effective accommodations and may choose the one that is less expensive or easier to provide.
 5. The City Administrator or his/her designee will work with the employee to obtain technical assistance, as needed.
 6. The City Administrator will provide a decision to the employee within a reasonable amount of time.
 7. If an accommodation cannot overcome the existing barriers or if the accommodation would cause an undue hardship on the operation of the City, the employee and the City Administrator or his/her designee shall work together to determine whether reassignment may be an appropriate accommodation.

Procedure - Job Applicants.

- A. The job applicant shall inform the City Administrator of the need for an accommodation and they will discuss the needed accommodation and possible alternatives with the applicant.
- B. The City Administrator will make a decision regarding the request for accommodation and, if approved, take the necessary steps to see that the accommodation is provided.

Definition:

Undue hardship: An undue hardship is an action that is unduly costly, extensive, substantial or disruptive, or that would fundamentally alter the nature or operation of the City.

Procedure for determining undue hardship.

- A. The employee will meet with the City Administrator to discuss the requested accommodation.
- B. The City Administrator will review undue hardships by considering the following:
 1. The nature and cost of the accommodation in relation to the size, the financial resources, and the nature and structure of the operation; and
 2. The impact of the accommodation on the nature or operation of the City.
 3. The City Administrator will provide a decision to the employee.

Appeals: Employees or applicants who are dissatisfied with the decision(s) pertaining to his/her accommodation request may initiate a grievance under the grievance process identified under the City's Discipline and Termination

Policy. If the individual believes the decision is based on discriminatory reasons, then they may file a complaint internally through the City's compliant procedure as outlined in this plan.

Supported work: The City will review vacant positions and assess the current workload and needs of the City department to determine if job tasks might be performed by a supported employment worker(s).

7.2 REASONABLE ACCOMMODATION FOR RELIGION

The City respects the religious beliefs and practices of all employees and will make, upon request, an accommodation for such observances when a reasonable accommodation is available that does not create an undue hardship on the City.

An employee whose religious beliefs or practices conflicts with his/her job, work schedule, or with the City's policy or practice on dress and appearance, of with other aspects of employment and who seeks a religious accommodation must submit a written request for the accommodation to his/her immediate supervisor. The written request will include the type of religious conflict that exists and the employee's suggested accommodation.

The immediate supervisor will evaluate the request considering whether a work conflict exists due to a sincerely held religious belief or practice and whether an accommodation is available which is reasonable and which would not create an undue hardship on the City. An accommodation may be a change in job, using paid leave or leave without pay, allowing an exception to the dress and appearance code which does not impact safety or uniform requirements, or for other aspects of employment. Depending on the type of conflict and suggested accommodation, the supervisor may confer with his/her department head and with the City Administrator.

The supervisor and employee will meet to discuss the request and decision on an accommodation. If the employee accepts the proposed religious accommodation, the immediate supervisor will implement the decision. If the employee rejects the proposed accommodation, he/she may appeal following the City's general grievance policy and procedure.

7.3 SOLICITATIONS

The City prohibits solicitation and distribution on its premises or through work mail by non-employees and to permit solicitation and distribution by employees only as outlined below:

- A. Solicitation and distribution are limited on City premises because, when left unrestricted, such activities can interfere with the normal operations, can be detrimental to efficiency, be annoying, and can pose a threat to security.
- B. The City Administrator is responsible for administering this policy and for enforcing its provision. Persons who are not employed by the City are prohibited from soliciting funds or signatures, conducting membership drives, posting, distributing literature or gifts, offering to sell or to purchase merchandise or services, (except by representative of suppliers properly identified), or engaging in any other solicitation, distribution, or similar activity on City premises.
- C. Solicitation and distribution of literature with appropriate approval should not interfere with working time of either the employee making the solicitation or distribution, or the targeted employee. The term "working time" does not include an employee's authorized lunch or rest periods or other time when the employee is not required to be working.

Employees may passively solicit donations, contributions, or promote appropriate fundraising activities by posting the event or item on bulletin boards in the employee break rooms in the City whereby an employee may voluntarily make a donation or participate in the activity. Certain fundraising activities sponsored by the City may be exempted from this provision. The home addresses and home telephone numbers of City employees shall be withheld from all persons, businesses or organizations.

7.4 OUTSIDE EMPLOYMENT

The potential for conflicts of interest is lessened when individuals employed by the City of Cloquet regard the City as their primary employment responsibility. All outside employment is to be reported to the employee's immediate supervisor. If a potential conflict exists based on this policy or any other consideration, the supervisor will consult with the City Administrator. Any City employee accepting employment in an outside position that is determined by the City Administrator to be in conflict with the employee's City job will be required to resign from the outside employment or may be subject to discipline up to and including termination.

For the purpose of this policy, outside employment refers to any non-City employment or consulting work for which an employee receives compensation, except for compensation received in conjunction with military service or holding a political office or an appointment to a government board or commission that is compatible with City employment. The following is to be considered when determining if outside employment is acceptable:

- Outside employment must not interfere with a full-time employee's availability during the City's regular hours of operation or with a part-time employee's regular work schedule.
- Outside employment must not interfere with the employee's ability to fulfill the essential requirements of his/her position.
- The employee must not use City equipment, resources or staff in the course of the outside employment.
- The employee must not violate City personnel policies as a result of outside employment.
- The employee must not receive compensation from another individual or employer for services performed during hours for which he/she is also being compensated by the City. Work performed for others while on approved vacation or compensatory time is not a violation of policy unless that work creates the appearance of a conflict of interest.
- Departments may establish more specific policies as appropriate, subject to the approval of the City Administrator.

City employees are not permitted to accept outside employment that creates either the appearance of or the potential for a conflict with the development, administration or implementation of policies, programs, services or any other operational aspects of the City.

7.5 TELEPHONE POLICY

GENERAL STATEMENT OF POLICY

In general, City telephones are in place to conduct official City business. It is critical that employees be courteous, tactful, professional, and efficient on the telephone. Employees are expected to answer and return calls promptly.

Because of the visibility and financial responsibility associated with the use of both landline and cellular phones, the City has developed the following telephone use guidelines. These guidelines will be observed by all City employees when dealing with the acquisition, use, and control of phones.

Personal calls made or received must not interfere with the employee's work duties. Local personal telephone calls should be made only when absolutely necessary, preferably during scheduled rest breaks or lunch periods. Keep incoming personal calls brief. An employee who spends an excessive amount of time on personal calls may be subject to discipline.

All personal long distance phone calls must be recorded by the caller. Employees are required to reimburse the City promptly for all charges related to personal long distance phone use that directly impose charges on the City above the prevailing plan.

For City-provided devices, the employer retains full ownership and rights of access to all electronic communications, including the ability to access and audit device content on a business necessity basis. Reviewable content includes e-mail, text messages, photos and videos sent, received or stored on the device—whether business-related or personal. For employees that receive reimbursement or an allowance for some or all business-related use of an employee’s personally purchased electronic device, this policy establishes the City’s right to similarly access any business-related content. Please note employees should have no expectation of privacy regarding any transmitted content, when using a City provided device. If the employee accepts reimbursements for business-related use of an electronic device, please note that certain data may be public as otherwise required under the Government Data Practices Act, Minnesota Statutes, chapter 13.

Safety First

An overarching concern of the City is the personal safety of employees and the public at large. Therefore, employees should use proper safety procedures at all times when using a cellular phone, but especially while operating equipment, driving while on City business, or performing similar duties. An employee shall not, under any circumstance, either read or send text messages or e-mails while operating (driving) City owned vehicles or equipment. Furthermore, City employees are highly discouraged from using a mobile device to make a phone call while operating a motor vehicle in the conduct of City business, except for the purpose of making a phone call to obtain or render emergency assistance.

In some jurisdictions where an employee may travel, law prohibits the use of cellular phones while operating a motor vehicle. It is the City’s intent and expectation that all employees shall abide by the law.

Mobile Phone Policy

Applicability

In some instances, the City may authorize employees to use cell phones in the performance of their day-to-day work. This policy affects all staff who are authorized to use a cell phone and/or associated wireless services for City of Cloquet (City) business and who receive compensation from the City to offset the cost of the cell phone for business-related calls or who receive a City provided cell phone.

Policy

Employees should not use employee-owned devices to conduct City business, without authorization. Employees who are authorized to use employee-owned devices for City business, as outlined in the subsequent section of this policy, will use a personal cell phone service for business use and will be eligible to receive a monthly allowance for that service.

Cell Phone Allowance

A. Eligibility

- a. Any approved employee. To be approved, an employee must have an official business need for the device and must have the approval of his/her department head and the City Administration.
- b. The City may provide a cell phone allowance to an employee if at least one of the following criteria is met:
 - i. The job requires considerable time outside the office (travel, meetings, conferences, etc.) and use of an electronic device facilitates the effective maintenance of business operations while away.
 - ii. The job requires the employee to be accessible to receive and/or make frequent business calls outside of working hours.

- iii. Job duties away from the office may expose the employee or others to immediate harm or danger.

B. Employee Responsibilities

- a. Employees are required to provide and maintain current contact information. This contact information may be disclosed to customers, vendors and others as applicable for valid business purposes.
- b. Sign the Cell Phone Allowance Request form thereby certifying that he/she will provide the phone number within 5 days of activation and will be available for calls (in possession of the phone and have it turned on) during working hours.
- c. Select any cell phone carrier whose service meets the requirements of the job responsibilities as determined by his/her supervisor.
- d. Inform the City to discontinue the allowance when the eligibility criteria are no longer met or when the cell service is cancelled. If such notification is not submitted within 30 days of no longer meeting criteria or service cancellation, the employee must repay any allowance received.
- e. If required by position, employee must maintain cellular phone service and if applicable internet services with access to the City systems. Pay all charges on his/her personal cell phone plan. If the employee leaves the position, he/she continues to be responsible for the contractual obligations of his/her cell phone plan. Early termination fees will be paid by the City if unable to adjust plan without penalty provided the employee involuntarily leaves City employment and the plan is over and above what his/her normal personal plan requires. Documentation from the cell phone provider of early contract cancellation and applicable fees must be provided within 2 months of termination of employment to Human Resources for this reimbursement.
- f. Comply with state and municipal laws regarding the use of cell phones while driving and prevent cell phone use that jeopardizes employee safety.
- g. Acknowledge that cell phone transmissions are not secure and employees should use discretion in relaying confidential information over cell devices.
- h. The City of Cloquet may need to access the employee-owned device for legitimate business purposes including, but not limited to implementing security controls, fulfilling record retention obligations, conducting investigations, or responding to litigation-related request arising out of administrative, civil, or criminal proceedings. Employees are expected to provide access to their device upon demand for necessary business purposes.

Cell Phone Allowance Amount

The monthly cell phone allowances are shown in Table A of this policy. The allowance is intended to reimburse the employee for the average business use of the cell phone, not to pay the entire phone bill. The amount of the allowance should be commensurate with the requirement for business use and should be reviewed periodically by management for change in amount or cancellation. The allowance may be used for device purchase or for services, or for both. The City will not pay purchase cost or activation fees for cell phones/devices. Eligibility for the allowance or the level of the allowance provided is subject to change or cancellation without notice at any time. The monthly allowances are not considered part of base pay used for calculating percentage salary increases. Supervisors/HR may periodically request that the employee provide a copy of the first page of the phone bill in order to verify that he/she has an active cell phone plan. Supervisors/HR may also periodically request documentation of business use to determine the appropriateness of eligibility and level of the allowance amount.

City-Provided Cell Phones

With the approval of the City Administrator, the City may purchase cell phones and pay for service in certain limited circumstances, e.g., phones required for business purposes. Personal calls should be kept to a bare minimum level that is material by nature in value. The City can stipulate, based on business needs, who has a City provided cell phone versus who may have the allowance. The City provided cell phones and service will be purchased by the City. All equipment purchases remain the property of the City.

City provided Cell Phone Request forms must be approved by department head and the City Administrator.

Human Resources will maintain approved Cell Phone Request forms on file in personnel records for internal/external audit purposes. Accounting will maintain cell phone invoices with the monthly cell phone bills when applicable.

Wage and Hour Issues

Nonexempt employees using a mobile device to conduct work-related business outside of work hours must track and record such work time and be appropriately compensated for it.

Cell Phone Support – By Type

Users who are authorized to obtain a regular cell phone must obtain technical support from the vendor providing the phone.

Users who are authorized for airtime and corporate messaging must use a service and device that accesses City email services. Support for the cell phone portion of these types of devices must be obtained from the vendor providing the phone.

Cell Phone Allowances

| Table A | |
|--------------------------|-------------------|
| Monthly Allowance | Basic Plan |
| Voice | \$30.00 |
| Voice and Email | \$50.00 |

7.6 USE OF CITY PROPERTY

Use of City Vehicles: City owned vehicles are to be used by employees only in conjunction with their performance of normal City operations and duties unless previously authorized as a condition of employment, employment agreement/contract or approved by the City Administrator.

Police take home vehicles may be issued based upon a need for a timely response to a police incident. Such vehicles are provided to enhance effectiveness, unit efficiency and to provide better service to the community and the department. Persons authorized use of a take home vehicle are expected to have a high level of responsiveness to department needs beyond normal work hours.

Specific Policies relating to take home vehicles:

- Only employees authorized by their Department Head and approved by the City Administrator are allowed to take home a vehicle
- Take home vehicles are issued based upon specific position and job duties
- Persons living over 12 miles from their work assignment will not be allowed to take home a vehicle
- Take home vehicles will only be authorized for personal uses which are incidental to coming and going from work
- Employees away from their assignment for more than 1 week shall coordinate with appropriate staff to have the City vehicle returned to the appropriate City office in their absence

Travel beyond the local area must be approved by the department head so it is known where the vehicle will be at all times. City vehicles are not to be used for personal use at any time.

Employees who drive or may be required to drive City vehicles and equipment are responsible for maintaining a safe driving record and for observing all traffic laws. Seat belts must be properly used at all times. Drivers must carry a current, valid driver's license that is adequate for the type of vehicle being driven. Any employee who operates a City vehicle without a valid driver's license will be subject to disciplinary action up to and including termination. Passengers may be carried only when necessary to conduct City business and/or when their transportation via City vehicle is in the best interests of the City. City vehicles may not be used to travel from work to an employee's residence for rest or lunch breaks without prior supervisory approval. An employee shall not drive a City vehicle while under the influence of any alcohol or drugs. An employee found to have any level of alcohol or illegal drugs within their system while driving a City vehicle will be subject to disciplinary action up to and including termination.

City employees conducting official City business out of town (conventions, meetings, etc.) may carry non-City representatives as passengers upon approval of the department head and only if such accompaniment does not interfere with the best interests of the City.

Use of City Property: Employees, department heads or other persons may not use, nor allow the use of, any property, lands, or buildings of the City of Cloquet for personal use unless said property is available for use by all City residents i.e. City Parks. No property shall be removed from any City department, land or building for any private use, purpose, or enjoyment, unless owned by individual, and no employee, department head or any other person shall be in any building of the department after normal working hours, unless they are there for the purpose of official City business. Exceptions to this policy may be approved by the City Administrator. If there is any question about whether a use is appropriate, it should be forwarded to the City Administrator for a determination.

Disposal of City Property: From time to time, City property becomes obsolete, is damaged, or is not needed. Such equipment will be disposed of by the City through salvage, trade, public auction, bid, or other means consistent with the City's financial or donation policy addressing the disposal of City property. If it is determined that a sale or auction is the best way to dispose of property, a notice must be advertised in the official newspaper and will be posted at City Hall and other locations as deemed appropriate. The appropriate department head will determine the minimum price for each item to be sold.

In no instance, will anything of value be given away free to anyone including employees. Unauthorized removal of City property or its conversion to personal use may result in disciplinary action up to and including termination.

Keys and Security: Each employee is responsible for securing his/her work area at the end of each day. Be sure that your office, confidential files, etc. are properly secured. All keys in your possession that are for City facilities and/or equipment must be returned to your supervisor upon termination of employment.

7.7 FALSIFICATION OF RECORDS

Any employee who makes false statements or commits, or attempts to commit, fraud in an effort to prevent the impartial application of these policies will be subject to immediate disciplinary action up to and including termination and potential criminal prosecution.

7.8 NEPOTISM / EMPLOYMENT OF RELATIVES

The City of Cloquet does not have a general policy against hiring relatives. However, a few restrictions have been established to help assure the fair and equitable treatment of all employees.

While applications for employment from relatives are considered, family members such as parents, children, spouses, siblings, or in-laws will not be hired into positions where they directly or indirectly supervise or are supervised by another family member. Further, such relatives will not be placed in positions where they work with or have access to sensitive information regarding an immediate family member. The City discourages dating among employees where there is a direct supervisory relationship. Marriage resulting in a violation of this policy will result in reorganization of one or both employees to be reassigned to other positions within the City. These moves could result

in a change in status/pay rate depending on the position and the employee's qualifications for the new position. The City Administrator must review all variances from the policy.

7.9 RESIGNATION

Any non-exempt employee wishing to leave the City's employment in good standing shall file with his/her department head, at least fourteen (14) days (unless otherwise specified within an employee's employment agreement) before leaving, a written resignation stating the effective date of the resignation and the reason for leaving. Exempt employees must provide twenty-one (21) days written notice to the City Administrator prior to the anticipated resignation date. Failure to comply with this procedure may be considered cause for denying the employee future employment and forfeiture of accumulated benefits. Employees cannot modify or withdraw their resignation date unless approved by the City Administrator.

An unauthorized absence from work for a period of three (3) consecutive working days or more may be considered a resignation without proper notice.

SECTION 8, EMPLOYEE SAFETY

8.1 SAFETY

The health and safety of each employee of the City and the prevention of occupational injuries and illnesses are of primary importance to the City. To the greatest degree possible, management will maintain an environment free from unnecessary hazards and will establish safety policies and procedures for each department. Adherence to these policies is the responsibility of each employee. Overall administration of this policy is the responsibility of each supervisor.

Reporting Accidents and Illnesses: Both Minnesota Worker's Compensation laws and the state and federal Occupational Safety and Health Acts require that all on the job injuries and illnesses be reported as soon as possible by the employee, or on behalf of the injured or ill employee, to his/her supervisor. The employee should complete a first report of injury and the employee's immediate supervisor complete a supervisor report and any other forms that may be necessary related to an injury or illness on the job.

Safety Equipment/Gear: Where safety equipment is required by federal, state, or local rules and regulations, it is a condition of employment that such equipment be worn by the employee.

Unsafe Behavior: Supervisors are authorized to send an employee home immediately when the employee's behavior violates the City's personnel policies, or creates a potential health or safety issue for the employee or others.

8.2 DRUG FREE WORKPLACE

In accordance with federal law, the City of Cloquet has adopted the following policy on drugs in the workplace:

- A. Employees are expected and required to report to work on time and in appropriate mental and physical condition. It is the city's intent and obligation to provide a drug-free, safe and secure work environment.
- B. The unlawful manufacture, distribution, possession, or use of a controlled substance on city property or while conducting city business is absolutely prohibited. Violations of this policy will result in disciplinary action, up to and including termination, and may have legal consequences.
- C. The city recognizes drug abuse as a potential health, safety, and security problem. Employees needing help in dealing with such problems are encouraged to use their health insurance plans, as appropriate.
- D. Employees must, as a condition of employment, abide by the terms of this policy and must report any conviction under a criminal drug statute for violations occurring on or off work premises while conducting city business. A report of the conviction must be made within five (5) days after the conviction as required by the Drug-Free Workplace Act of 1988.

Employees of the Police Department are exempt from the applicable distribution and possession provisions above as they are required for the execution of their regular duties.

8.3 POSSESSION AND USE OF DANGEROUS WEAPONS

Possession or use of a dangerous weapon is prohibited on City property, in City vehicles, or in any personal vehicle, which is being used for City business. This includes employees with valid permits to carry firearms.

The City of Cloquet policy prohibits all employees, except sworn employees of the Police Department, from carrying or possessing firearms while acting in the course and scope of employment for the city. The possession or carrying of a firearm by employees other than sworn Police Officers is prohibited while working on city property or while working in any location on behalf of the city. This includes but is not limited to:

- Driving on city business;
- Riding as a passenger in a car or any type of mass transit on city business;
- Working at city hall or any other city-owned work site;
- Working off-site on behalf of the city;
- Performing emergency or on-call work after normal business hours and on weekends;
- Working at private residences and at businesses on behalf of the city;
- Attending training or conferences on behalf of the city;

An exception to this policy is that city employees may carry and possess firearms in city-owned parking areas if they have obtained the appropriate permit(s).

When responding to on-call work from home after regular work hours, an employee is prohibited from bringing a firearm in their private vehicle unless the vehicle remains in a parking lot and is not needed in order to respond to the call.

Employee given written permission from the City Administrator or Chief of Police to hunt deer on City property in compliance with other City Code requirements are exempted from this policy for the specific period of time authorized.

8.4 CITY DRIVING POLICY

This policy applies to all employees who drive a vehicle on city business at least once per month, whether driving a city-owned vehicle or their own personal vehicle. It also applies to employees who drive less frequently but whose ability to drive is essential to their job due to the emergency nature of the job. The City expects all employees who are required to drive as part of their job to drive safely and legally while on City business and to maintain a good driving record.

The City will examine driving records once per year for all employees who are covered by this policy to determine compliance with this policy. Employees who lose their driver's license or receive restrictions on their license are required to notify their immediate supervisor on the first work day after any temporary, pending or permanent action is taken on their license and to keep their supervisor informed of any changes thereafter.

The City will determine appropriate action on a case-by-case basis.

8.5 EMERGENCY CLOSING / ADVERSE WEATHER CONDITIONS

Purpose: The City recognizes that certain situations may arise as a result of weather conditions and other emergency events which result in the closure of certain city facilities. This policy sets forth the conditions, process, and impact on the employee's affected by these situations.

It is the City's policy to continue to provide appropriate levels of services to the community during periods of inclement weather or emergencies. The City will make all attempts to keep its facilities open during normal business hours even though an emergency may exist. The City acknowledges that there may be adverse weather or other emergency conditions in which employees may need to be excused from work. The City recognizes that the safety of its employees and their dependents is very important.

Sworn police officers and public works maintenance employees will generally be required to report to work regardless of conditions.

Decisions to cancel departmental programs (special events, recreation programs, etc.) will be made by the respective supervisor or the city administrator.

When City facilities are closed due to emergency or adverse weather conditions, employee's will be paid for shifts missed. When facilities remain open employees may determine whether he/she will remain at work or utilize appropriate leave. If an employee determines that his/her safety or the safety of his/her dependents may be

jeopardized if the employee reports to work or if at work, remains on duty, the employee may request authorized emergency leave. An employee with authorized emergency leave must utilize vacation or compensatory time for the time away from work. If the employee does not have vacation or compensatory time, the emergency leave will be unpaid unless the supervisor agrees to modify the work schedule or make other reasonable schedule adjustments.

8.6 WORKERS COMPENSATION

The law provides that if covered public employees continue to receive a salary while receiving workers compensation benefits, the City should deduct the amount of the workers compensation benefits from the salary. In no case shall the total compensation received from both workers compensation and sick leave exceed the amount of pay normally received. It is the employee's responsibility to report any work-related injuries or illness to their department head as soon as possible. Any money received for time loss by the workers compensation carrier should be reported to the Finance Department immediately. Failure to notify the Administrative or Finance Departments could result in disciplinary action. Workers Compensation shall be managed as follows:

- A. Employee uses sick leave on days off until first workers compensation check arrives.
- B. Employee must report workers compensation checks received and the value of the workers compensation check is subtracted from the gross pay of the employee's next check, before taxes and other deductions are made.
- C. The value of the workers compensation check divided by the employee's hourly rate determines the amount of sick leave credited back to the employee's accumulated sick leave account.
- D. The net result is that the employee's accrued sick leave makes up the difference between the workers compensation check received and his or her regular rate of pay.
- E. Using this procedure, employees keep workers compensation checks that are paid without tax deductions and the City is not deducting taxes from the value of a workers compensation check received.
- F. Subsequent workers compensation checks are reported by the employee and steps B, C and D are followed.

8.7 LIGHT DUTY/MODIFIED ASSIGNMENT

Purpose: The purpose of this policy is to establish general guidelines for the temporary assignment of work to employees who are temporarily disabled or have medical work restrictions resulting from a work-related injury or non-work related injury or illness which render the employee unable to perform all of the essential functions of their regular work duties. This policy is primarily designed to provide a framework by which the affected employee with a work-related injury can transition back into the employee's regular job. The particular duties and availability of transitional work will be evaluated by the City Administration on a case-by case basis. This policy does not assure the assignment to transitional work duties to any employee.

Policy: The City of Cloquet's Transitional Modified Work Policy is designed to be implemented for a short period of time (usually up to sixty days), prior to the employees return to their regular job. The City Administrator reserves the sole right to determine when and if transitional modified work that is within the employee's work restrictions is available and whether it is appropriate in a given instance given the information submitted.

Procedure: Qualification for Transitional Modified Work: When an employee is unable to perform all of the essential requirements of the employee's job due to a temporary disability or medically prescribed work restrictions, the employee will notify the City Administrator and/or Department Head in writing as to the nature and extent of the disability and the nature of the work restrictions and will further provide all reasons why the employee is unable to perform the essential functions, duties, and requirements of the position. This notice must be accompanied by a

physician's report containing a diagnosis, current treatment, and any work restrictions related to the temporary disability.

The notice should also include the expected time frame regarding a return to work full-time without restrictions and any requested accommodations that will permit the employee to meet all of the essential requirements and functions of the City's job position description. At its discretion, the City may require an independent evaluation conducted by a physician selected by the City to verify the diagnosis, current treatment, expected length of temporary disability, and work restrictions.

It is the City Administrator's sole decision whether or not to assign transitional modified work to an employee. Although this policy is handled on a case-by-case basis, transitional work is recommended to last no longer than sixty (60) days and can be assigned to more than one employee at a given time based upon the availability of duties and jobs to be performed. Employees with workers compensation injuries will be given priority status for work assignments when limitations and restrictions are possible to accommodate. This means that if an employee with a non-workers compensation injury/illness is working in a light duty assignment, he/she may be bumped by a workers compensation restricted employee if all the appropriate light duty assignments are filled.

Prior to returning to regular duty, the employee must provide a written medical report from their physician clearing them to perform 100% of the job related duties that are physically required to perform their job.

The circumstances of each disabled employee performing light duty work will be reviewed regularly and employees assigned transitional modified work duties may be required to perform duties and functions which are both outside their department and regular job duties as the need arises. Any transitional duty/modified work assignment may be discontinued at any time.

8.8 REASONABLE ACCOMMODATIONS TO AN EMPLOYEE FOR HEALTH CONDITIONS RELATING TO PREGNANCY

The city will attempt to provide a female employee who requests reasonable accommodation with the following for her health conditions related to her pregnancy or childbirth.

- more frequent restroom, food, and water breaks;
- seating;
- limits on lifting over 20 pounds and/or temporary transfer to a less strenuous or hazardous position, should one be available.

Unless such accommodations impose an undue hardship on the city. The city will engage in an interactive process with respect to an employee's request for a reasonable accommodation.

SECTION 9, INFORMATION TECHNOLOGY

9.1 COMPUTER USE POLICY

Purpose: This policy serves to protect the security and integrity of the city's electronic communication and information systems by educating employees about appropriate and safe use of available technology resources.

The City reserves the right to inspect any data, emails, social media content, files, settings or any other aspect or access made by a city-owned computer or related system and will do so on an as needed basis as determined by the City Administrator.

All employees are responsible for reading and following information that may be distributed from time-to-time by Administration and/or our technology consultants about appropriate precautions to protect city systems.

An employee who violates any aspect of this policy may be subject to disciplinary action including revocation of certain system privileges or termination.

Personal Use: The City recognizes that some personal use of city-owned computers and related equipment will occur. Some controls are necessary, however, to protect the city's equipment and computer network and to prevent abuse of this privilege.

- Only city employees may use city-owned equipment. Family members or friends of employees are not allowed to use city equipment or technology resources.
- Personal use must take place during non-work hours (breaks, lunch hour, before or after work). Personal use should never preempt work use.
- Reasonable use of city email systems for personal correspondence is allowable, provided it does not interfere with an employee's normal work and is consistent with all provisions in this policy. Employees should treat this privilege as they would the ability to make personal phone calls during work hours.
- Reasonable use of the city's access to the Internet for personal reasons is allowable, provided it doesn't interfere with normal work and is consistent with all provisions in this policy.
- If an employee wants to use or connect their own peripheral tools or equipment to city-owned systems (such as digital cameras, PDAs, disks, cell phones, mp3 players or flash drives), they must have prior approval from their department head and must follow provided directions for protecting the city's computer network.
- Files from appropriate personal use of the city's equipment may be stored on your computer's local hard drive, providing the size of all personal files does not exceed 50 MB. At no time may personal files that contain copyright material, such as mp3 files or photos, be stored on city computer systems. The city may inspect any data or information stored on its equipment or network, even if the information is personal to the employee.
- Use of city equipment or technology for personal business interests, for-profit ventures, political activities or other uses deemed by the City Administrator to be inconsistent with city activities is

not allowed. If there is any question about whether a use is appropriate, it should be forwarded to the City Administrator for a determination.

Software, Hardware, Games and Screen Savers: In general, all software and hardware required for an employee to perform his or her job functions will be provided by the city. Requests for new or different equipment or software should be made to your supervisor, department head or directly to the City Administrator.

The following is approved software that may be downloaded by employees without prior approval:

- Microsoft updates as provided in automatic updates to the user.
- Anti-virus updates as provided in automatic updates to the user.
- Microsoft clipart and photo files.

Unapproved software or downloads (free or purchased), hardware, games, screen savers, toolbars, clipart, music and movie clips, other equipment, software or downloads that have not been specifically approved by the department head or City Administrator may compromise the integrity of the city's computer system and are prohibited.

The Administration department and/or its representatives, without notice, may remove all unauthorized programs or software, equipment, downloads, or other resources if they could harm systems or technology performance.

If there is any question about whether software or hardware, downloads, etc. are appropriate it should be forwarded to the City Administrator for a determination.

Electronic Mail: The city provides employees with an email address for work related use. Some personal use of the city email system by employees is allowed, provided it does not interfere with an employee's normal work and is consistent with all city policies.

The city allows employees to access personal email accounts via the Internet provided such access occurs during non-work hours and fully complies with this computer use policy.

An employee's personal email (and other personal documents) accessed via a city computer could be considered "public" data and may not be protected by privacy laws. Personal email and computer use may be monitored as directed by the City Administrator and without notice to the employee. Employees should not expect privacy in any activity conducted on a city owned computer.

The following policies relate to both business and personal email content sent from a city computer:

- Use common sense and focus primarily on using email for city business. Never transmit an email that you would not want your boss or other employees to read, or that you'd be embarrassed to see in the newspaper.
- Do not correspond by email on confidential communications (e.g. letters of reprimand, correspondence with attorneys, medical information).
- Do not open email attachments or links from an unknown sender. Delete junk or "spam" email without opening it if possible, do not respond to unknown senders.
- Do not gossip or include personal information about yourself or others in an email.
- Do not use harassing language, including sexually harassing language or any remarks including insensitive language or derogatory, offensive or insulting comments or jokes in an email.
- All emails must comply with all city policies, including those related to respectful workplace, harassment prevention and workplace violence.

- Do not curse or use swear words in an email.

Instant Messaging: The city does not provide employees with resources or tools to communicate by Instant Messaging (IM) when conducting city business. Employees are not allowed to use IM as a mechanism for personal communication through the city's computer network or when using city equipment, and are not allowed to download or install IM software on their city computer.

Social Media: The City may have or use social media sites such as Facebook, blogs and microblogs such as Twitter, for official city business. When using social media to support official city business in accordance with job duties, individuals should clearly identify themselves as connected to the city. Personal use of social media by city staff - whether about the city or not, and whether positive or negative - will reflect on the city as a whole. Personal use of social media should not violate any city policies already in existence, such as those on harassment prevention.

Storing and Transferring Documents: Electronic documents, including emails, electronic communication and business-related materials created on an employee's home or personal computer, should be stored on the city's network in accordance with city records retention policies and the Minnesota Data Practices Act. The following are some general guidelines that may be useful to consider.

- Electronic communication that is simple correspondence and not an official record or transaction of city business should be deleted as soon as possible and should not be retained by employees for more than three months.
- Electronic communication that constitutes an official record of city business must be kept in accordance with all records retention requirements and should be copied to appropriate network files for storage.
- City related documents that an employee creates on his or her home computer or any other computer system should be copied to the city's network files.
- Documents or electronic communications that may be classified as protected or private information under data practices requirements should be stored separately from other materials.

If you are unsure whether an electronic communication or other document is a government record for purposes of records retention laws, or is considered protected or private under data practices, check with your supervisor, department head or the City Administrator. If you are unsure how to create an appropriate file structure for saving and storing electronic information, contact the City Administrator.

Transferring data and documents between computer systems requires information to be stored on a disk, CD-ROM, flash or USB drive, or another storage media. These items can also be used to transmit computer viruses or other items harmful to the city's computer network.

The city has installed anti-virus software on each computer to protect against these threats by automatically scanning storage media for viruses and similar concerns. The anti-virus software provides automatic updates that employees will be notified of with a pop-up window from Symantec. All employees should follow directions for updating anti-virus software as prompted. If you have any questions about how to update your anti-virus software or check your storage media before you use it, check with your department head or City Administrator.

Internet: The city provides Internet access to employees for work on city business. Employees may use this access for work related matters in a professional manner.

Occasional personal use of the Internet is acceptable within the bounds of all city policies. The following considerations apply to all uses of the Internet whether business related or personal:

- There is no quality control on the Internet. All information found on the Internet should be considered suspect until confirmed by another source.

- Internet use during work hours must be limited to subjects directly related to job duties.
- Personal use of the Internet during non-work hours (breaks, lunch hour, before or after work) is permitted. However, employees may not at any time access inappropriate sites. Some examples of inappropriate sites include but are not limited to adult entertainment, sexually explicit material, or material advocating intolerance of other people, races or religions, or in manners that otherwise violate city policies related to respectful workplace and harassment prevention. This prohibition includes information on social media sites such as Facebook and blogs and microblogs such as Twitter. If you are unsure whether a site may include inappropriate information, you should not visit it.
- No software or files may be downloaded from the Internet unless approved in advance by your department head or the City Administrator. This includes but is not limited to free software or downloads, maps, weather information, toolbars, music or photo files, clipart, screensavers and games.
- The city may monitor any employee's use of the Internet for any purpose without prior notice, as deemed appropriate by the City Administrator.

Passwords and Physical Security of Equipment: Employees are responsible for maintaining computer passwords and following these guidelines:

- Passwords must be at least eight (8) characters long and include both lower and upper case characters, at least one number and at least one non-alpha-numeric character (e.g., *,&,% , etc.). An example might be Pol!ci3S.
- Your passwords should not be shared or told to anyone except for your supervisor. If it is necessary to access an employee's computer when he or she is absent, contact the supervisor, department head or the City Administrator.
- Passwords should not be stored in any location on or near the computer. If necessary, store your password in a document or hard copy file that is locked when you are absent from your desk. Do not store it electronically in a palm pilot or cell phone system.

Use caution if you leave equipment unattended because it is generally small and portable. Do not leave city computer equipment in an unlocked vehicle or unattended at any off-site facility (airport, restaurant, etc.).

Remote Access: Certain employees may be given the ability to access the city's computer systems from remote locations or from home, using either personal equipment or city-owned equipment.

Remote access is limited to staff classified as exempt and who frequently work independently on city business. Non-exempt staff may be given temporary access from time to time as needed, but only with the approval of their supervisor, the City Administrator and the technology consultant.

Employees with remote access privileges will be given specific instructions from the city's technology consultant about how to protect city equipment and information resources. If you have any questions about remote access to the city's network, check with your department head or City Administrator.

Notice of Computer Problems: Employees are responsible for notifying the City Administrator about computer problems or odd computer behavior. Employees should err on the side of caution when reporting issues because small problems may indicate a more serious network or computer system issue.

SECTION 10, DEFINITIONS

10.1 DEFINITIONS

For purposes of these policies, the following definitions will apply:

Authorized Hours: The number of hours an employee was hired to work. Actual hours worked during any given pay period may be different than authorized hours, depending on workload demands or other factors, and upon approval of the employee's supervisor.

Benefits: Privileges granted to qualified employees in the form of paid leave and/or insurance coverage.

Benefit Earning Employees: Employees who are eligible for at least a pro-rated portion of City provided benefits. Such employees must be year-round employees who work at least 20 hours per week on a regular basis.

Demotion: The movement of an employee from one job class to another within the City, where the maximum salary for the new position is lower than that of the employee's former position.

Department Head/Supervisor: An employee who is responsible for managing a department or division of the City.

Direct Deposit: As permitted by state law, all City employees are required to participate in direct deposit.

Employee: An individual who has successfully completed all stages of the selection process including the training/probationary period.

Exempt Employee: Employees who are not covered by the overtime provisions of the federal or state Fair Labor Standards Act.

FICA (Federal Insurance Contributions Act): FICA is the federal requirement that a certain amount be automatically withheld from employees' earnings. Specifically, FICA requires an employee contribution for Social Security and for Medicare. The City contributes a matching amount on behalf of each employee. Certain employees may be exempt or partially exempt from these withholdings (e.g., police officers).

Fiscal Year: The period from January 1 to December 31.

Full-time Employee: Employees who are required to work forty (40) or more hours per week year-round in an ongoing position.

Non-exempt Employee: Employees who are covered by the federal or state Fair Labor Standards Act. Such employees are normally eligible for overtime at 1.5 times their regular hourly wage for all hours worked over forty (40) in any given workweek.

Part-time Employee: Employees who are required to work less than forty (40) hours per week year-round in an ongoing position.

Pay Period: A fourteen (14) day period beginning at 12:01 am on Monday through midnight on Sunday, fourteen (14) days later.

PERA (Public Employees Retirement Association): Statewide pension program in which all City employees meeting program requirements must participate in accordance with Minnesota law. The City and the employee each contribute to the employee's retirement account.

Promotion: Movement of an employee from one job class to another within the City, where the maximum salary for the new position is higher than that of the employee's former position.

Reclassify: Movement of an employee from one job class to another within the City, where the maximum salary for the new position is higher than that of the employee's former position.

Seasonal Employee: Employees who work only part of the year (100 days or less) to conduct seasonal work. Seasonal employees may be assigned to work a full-time or part-time schedule. Seasonal employees do not earn benefits or credit for seniority.

Service Credit: Time worked for the City. An employee begins earning service credit on the first day worked for the City. Some forms of leave will create a break in service.

Temporary Employee: Employees who work in temporary positions. Temporary jobs might have a defined start and end date or may be for the duration of a specific project. Temporary employees may be assigned to work a full-time or part-time schedule. Temporary employees do not earn benefits or credit for seniority.

Training/Probationary Period: A one-year period at the start of employment with the City (or at the beginning of a promotion, reassignment or transfer) that is designated as a period within which to learn the job. This training period is the last part of the selection process.

Transfer: Movement of an employee from one City position to another of equivalent pay.

Weapons: Includes, but is not limited to, firearms, explosives, knives and other weapons that might be considered dangerous or that could cause harm. This includes any object that has been modified to use as a weapon or that can be used as a weapon.

Workweek: A workweek is seven consecutive 24-hour periods. For most employees the workweek will run from Monday through the following Sunday. With the approval of the City Administrator, departments may establish a different workweek based on coverage and service delivery needs (e.g., police department, park and recreation department).

Personnel Policy/Handbook Receipt Acknowledgement

By signing below, I

1. Acknowledge that:

- I received the City of Cloquet Personnel Policies
- It is my responsibility to have read and understood the City of Cloquet Personnel Policies
- The City of Cloquet Personnel Policies is intended only as a general reference, and not as a full statement of City of Cloquet procedures or a legal contract.
- City of Cloquet Personnel Policies supersedes and replaces any other existing policies or procedure handbook, manual or the like.
- Acknowledge that the City of Cloquet Personnel Policies/Employment Handbook will be updated periodically and that I will be informed by the City of said changes that occur after the date written below. I further acknowledge that I can find the most current copy on the City's Website at all times.

Employee Signature

Employee Name (Please Print)

Dated: _____



ADMINISTRATIVE OFFICES

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REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: James Barclay, Assistant City Administrator/HR Dir
Reviewed by: Aaron Reeves, City Administrator *AK*
Date: January 3, 2018

ITEM DESCRIPTION: 2017 Pay Equity Implementation Report

Proposed Action

Staff recommends the City Council move to approve the 2017 Pay Equity Implementation Report and authorize staff to submit this report to the State.

Background/Overview

In 1984, the Minnesota Legislature passed the Local Government Pay Equity Act (M.S. 471.991-.999). Local governments were given until December 31, 1991 to comply with the law and were required to file reports with the State by January, 1992. All jurisdictions were then placed on a three-year reporting cycle with a third of them reporting each year beginning in 1994.

Attached, the City Council will find a copy of its 2017 Pay Equity Report required by the State. This report is for the year ended December 31, 2017. In analyzing our data, it appears the City will receive an “in compliance” finding.

In 2008, the City initiated a review of its pay program by hiring Springsted to update our system and compare it to pay at other comparable cities. The City has budgeted for and plans to accomplish a similar study in 2018.

Policy Objectives

State law requires all public jurisdictions to eliminate any sex based wage inequities in compensation. Pay equity is a method of eliminating discrimination against women who are paid less than men for jobs requiring comparable level of expertise. This goes beyond the familiar idea of “equal pay for equal work” where men and women with the same jobs must be paid equally. A policy to establish pay equity usually means:

- 1) That all jobs will be evaluated and given points according to the level of knowledge and responsibility required to do that job; and
- 2) That salary adjustments will be made if it is discovered that women are consistently paid less than men for jobs with similar points.

Financial/Budget/Grant Considerations

There are no financial impacts related to the submittal of the attached report. Should the City be found out of compliance, financial impacts could include the cost to bring the plan into compliance and penalties.

Advisory Committee/Commission Action

None.

Supporting Documentation Attached

- Compliance report.

Compliance Report

Jurisdiction: Cloquet
1307 Cloquet Avenue

Report Year: 2018
Case: 1 - 2018 DATA (Private (Jur Only))

Cloquet MN 55720-1656

Contact: James Barclay

Phone: (218) 879-3347

E-Mail: JBarclay@cloquetmn.gov

The statistical analysis, salary range and exceptional service pay test results are shown below. Part I is general information from your pay equity report data. Parts II, III and IV give you the test results.

For more detail on each test, refer to the Guide to Pay Equity Compliance and Computer Reports.

I. GENERAL JOB CLASS INFORMATION

| | Male Classes | Female Classes | Balanced Classes | All Job Classes |
|--------------------------------------|-------------------------|---------------------------|-----------------------------|----------------------------|
| # Job Classes | 28 | 10 | 1 | 39 |
| # Employees | 54 | 14 | 2 | 70 |
| Avg. Max Monthly Pay per employee | 5,220.71 | 4,620.58 | | 5,058.95 |

II. STATISTICAL ANALYSIS TEST

A. Underpayment Ratio = 64.29 *

| | Male Classes | Female Classes |
|--|-------------------------|---------------------------|
| a. # At or above Predicted Pay | 19 | 5 |
| b. # Below Predicted Pay | 9 | 5 |
| c. TOTAL | 28 | 10 |
| d. % Below Predicted Pay (b divided by c = d) | 32.14 | 50.00 |

*(Result is % of male classes below predicted pay divided by % of female classes below predicted pay.)

B. T-test Results

| | |
|------------------------------|---------------------|
| Degrees of Freedom (DF) = 66 | Value of T = -1.100 |
|------------------------------|---------------------|

- a. Avg. diff. in pay from predicted pay for male jobs = (\$8)
- b. Avg. diff. in pay from predicted pay for female jobs = \$28

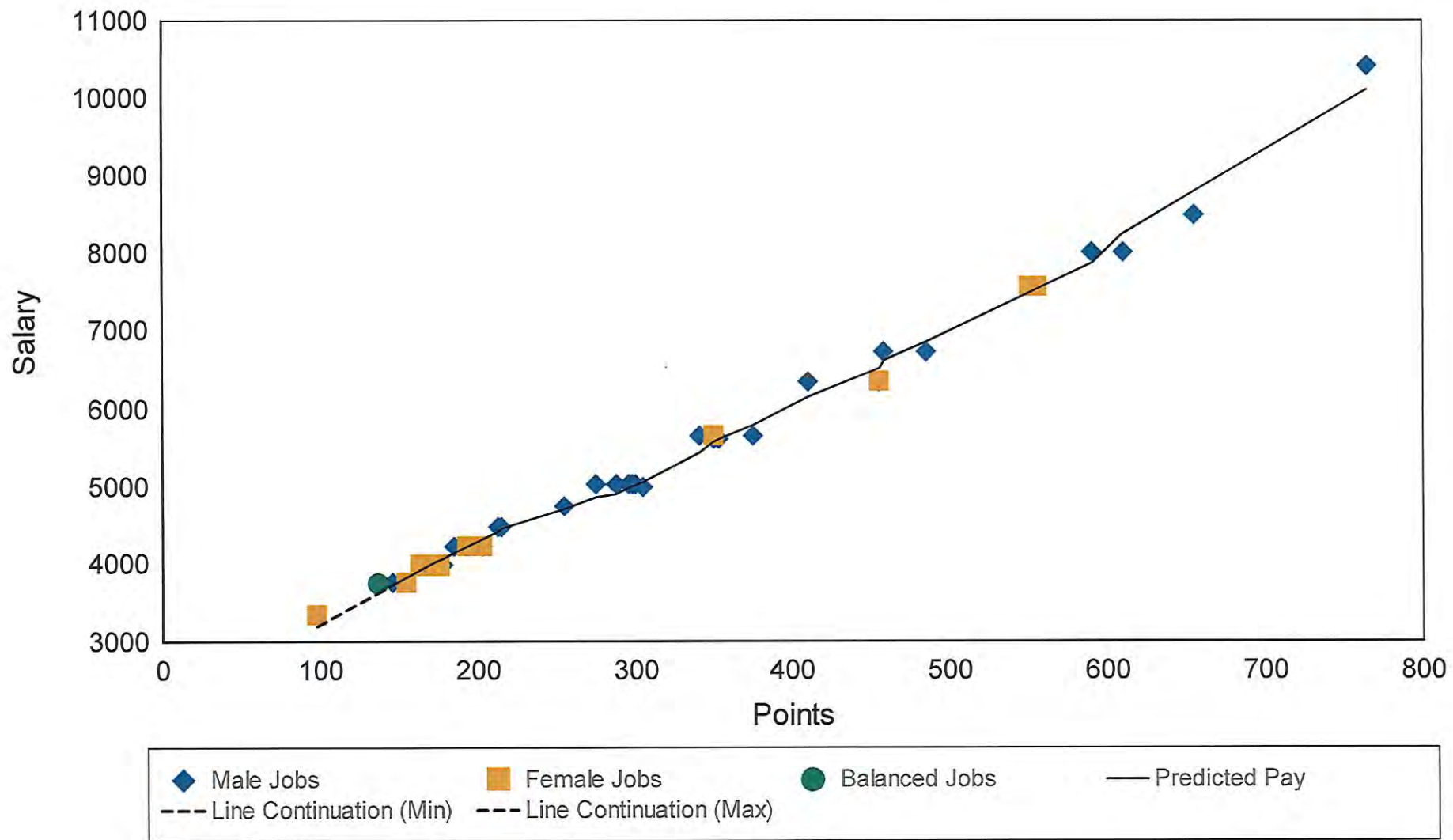
III. SALARY RANGE TEST = 100.00 (Result is A divided by B)

- A. Avg. # of years to max salary for male jobs = 8.00
- B. Avg. # of years to max salary for female jobs = 8.00

IV. EXCEPTIONAL SERVICE PAY TEST = 0.00 (Result is B divided by A)

- A. % of male classes receiving ESP 10.71 *
- B. % of female classes receiving ESP 0.00

*(If 20% or less, test result will be 0.00)



Part A: Jurisdiction Identification

Jurisdiction:

Jurisdiction Type: City

Cloquet
1307 Cloquet Avenue
Cloquet, MN 55720

Contact: James Barclay

Phone: 218-879-3347

E-Mail: jbarclay@cloquetmn.gov

Part B: Official Verification

- 1. The job evaluation system used measured skill, effort responsibility and working conditions and the same system was used for all classes of employees.

The system used was:

Description:

Springsted

- 2. Health Insurance benefits for male and female classes of comparable value have been evaluated and:

There is no difference and female classes are not at a disadvantage

- 3. An official notice has been posted at:

City Hall Bulletin Board

(prominent location)

informing employees that the Pay Equity Implementation Report has been filed and is available to employees upon request. A copy of the notice has been sent to each exclusive representative, if any, and also to the public library.

The report was approved by:

Cloquet City Council

(governing body)

David Hallback

(chief elected official)

Mayor

(title)

Part C: Total Payroll

\$4,600,349.77

is the annual payroll for the calendar year just ended December 31.

- Checking this box indicates the following:

- signature of chief elected official
- approval by governing body
- all information is complete and accurate, and
- all employees over which the jurisdiction has final budgetary authority are included

Date Submitted:



ADMINISTRATIVE OFFICES

1307 Cloquet Avenue • Cloquet, MN 55720
Phone: 218-879-3347 • Fax: 218-879-6555
email: admin@ci.cloquet.mn.us
www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Aaron Reeves, City Administrator *AR*
Date: January 8, 2018

ITEM DESCRIPTION: Approval of 2018 Business License Renewals

Proposed Action

Staff recommends the City Council move to approve the renewals of the two business licenses identified on the attached 2018 license renewal list subject to submittal of all licensing requirements.

Background/Overview

Attached the City Council will find 2018 business license renewals for Leno Chiropractic and Waste Management.

Staff has solicited renewals from each of our current license holders. Most have completed the necessary paperwork and submitted the required information. Staff has found everything in order. Those licenses that are ready to be renewed by the Council are indicated on the attached list.

Policy Objectives

Approval of these various licenses is required under Chapter 6 of the Municipal Code. There is no limit on the number of licenses issued in any one year for any of these licenses.

Financial/Budget/Grant Considerations

The City's fee schedule varies for each of these licenses as set by the City Council. The applicants have all paid the required fees.

Advisory Committee/Commission Action

None.

Supporting Documentation Attached

- Business License Listing



ADMINISTRATIVE OFFICES

1307 Cloquet Avenue • Cloquet, MN 55720
Phone: 218-879-3347 • Fax: 218-879-6555
email: admin@ci.cloquet.mn.us
www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Aaron Reeves, City Administrator *AR*
Date: January 10, 2018

ITEM DESCRIPTION: Amendment to Off Sale Liquor License for Walmart Store #1929

Proposed Action

Staff recommends the City Council move to approve the amendment of the existing Off Sale Liquor License for Wal-Mart Stores, Inc. (Liquor Box) 1308 Highway 33 South, effective February 1, 2018, subject to final approval by the State of Minnesota.

Background/Overview

The City has received an application from Walmart Inc. seeking to amend their current Off Sale Liquor License for the Liquor Box, 1308 Highway 33 South. Walmart Inc. is in the process of changing its corporate name from Wal-Mart Stores, Inc. to Walmart Inc. This change will be effective February 1, 2018. As a result of the pending name change, the state requires an amendment to their existing license.

Policy Objectives

Approval of all Off-Sale Liquor Licenses are required under Chapter 6 of the City Code and M.S. 340A.404 of State law. All other aspects of the applications are in accordance with City Code.

Financial Impacts

The City's fee schedule requires each license holder to pay set fees for each license. The total fees received by the City for alcohol licenses are required to be consistent with the level of service to administer and enforce local liquor laws. The applicant has already paid the required fees for the 2017-2018 license period, therefore there is no fee for the amendment of the existing license.

Advisory Committee/Commission Action

None.

Supporting Documentation Attached

- Off Sale Liquor Application



Larkin Hoffman

8300 Norman Center Drive
Suite 1000
Minneapolis, Minnesota 55437-1060

GENERAL: 952-835-3800

FAX: 952-896-3333

WEB: www.larkinhoffman.com

January 9, 2018

Ms. Kris St. Arnold
Deputy City Clerk
City of Cloquet
1307 Cloquet Ave.
Cloquet, MN 55720

VIA US MAIL & EMAIL TO
kstarnold@cloquetmn.gov

Re: Amendment to Liquor License for Walmart Store # 1929

Dear Ms. St. Arnold,

My name is Matthew Bergeron and I represent Walmart Inc. in the above entitled matter. As you may already be aware, Walmart is in the process of changing its corporate name from Wal-Mart Stores, Inc. to Walmart Inc. This change will be effective February 1, 2018. As a result of the pending name change, we wish to amend the existing liquor license for Walmart's Cloquet store to reflect the company's new name.

Attached and submitted for your review, please find the following:

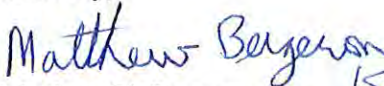

- Application for Off-Sale Intoxicating Liquor License;
- Minnesota Secretary of State Name Reservation (we will supplement with the new Business Registration once that has been filed on February 1, 2018); and
- Certificate of Amendment of Certificate of Incorporation of Wal-Mart Stores, Inc.

You'll note that none of the corporate officers or other relevant information has changed. Additionally, we will be submitting an updated buyer's card application to the Minnesota Department of Public Safety. We will also provide you with the Certificate of Insurance before the council meeting.

It is my understanding that this amended application will require City Council approval. If you would please confirm that and inform me as to the date and time of the meeting at which you expect the matter to be taken up, I would greatly appreciate it.

Please let me know if you have any questions or if there is anything additional you require prior to placing this on the Council's agenda.

Sincerely,


Matthew W. Bergeron, for 
Larkin Hoffman

Direct Dial: (952) 896-3203

Direct Fax: (952) 896-3214

Email: mbergeron@larkinhoffman.com

MWR/klg

Enclosures

4844-2933-6410, v. 1



Minnesota Department of Public Safety
ALCOHOL AND GAMBLING ENFORCEMENT DIVISION
 444 Cedar St., Suite 222, St. Paul, MN 55101-5133
 (651) 201-7507 FAX (651)297-5259 TTY(651)282-6555
 WWW.DPS.STATE.MN.US



APPLICATION FOR OFF SALE INTOXICATING LIQUOR LICENSE

No license will be approved or released until the \$20 Retailer ID Card fee is received

Workers compensation insurance company. Name New Hampshire Insurance Company Policy # 86326302

Licensee's MN Sales and Use Tax ID # 3632313 To apply for a MN sales and use tax ID #, call (651) 296-6181

Licensee's Federal Tax ID # 71-0415188

If a corporation, an officer shall execute this application If a partnership, a partner shall execute this application.

| | | | |
|---|---|------------------------------------|-------------------|
| Licensee Name (Individual, Corporation, Partnership, LLC) Walmart Inc. | Social Security # NA | Trade Name or DBA Walmart #1929 | |
| License Location (Street Address & Block No.) 1308 Highway 33 S/ | License Period From 2/1/18 To 12/31/18 | Applicant's Home Phone # NA | |
| City Cloquet | County Carlton | State MN | Zip Code 55720 |
| Name of Store Manager Kris Wilson | Business Phone Number 218-879-3347 | DOB (Individual Applicant) NA | |

If a corporation or LLC state name, date of birth, Social Security # address, title, and shares held by each officer. If a partnership, state names, address and date of birth of each partner.

| Partner Officer (First, middle, last) | DOB | SS# | Title | Shares | Address, City, State, Zip Code |
|---------------------------------------|-----|-----|-------|--------|--------------------------------|
| See attached list | | | | | |
| Partner Officer (First, middle, last) | DOB | SS# | Title | Shares | Address, City, State, Zip Code |
| Partner Officer (First, middle, last) | DOB | SS# | Title | Shares | Address, City, State, Zip Code |
| Partner Officer (First, middle, last) | DOB | SS# | Title | Shares | Address, City, State, Zip Code |

- If a corporation, date of incorporation 10/31/1969, state incorporated in Delaware, amount paid in capital _____. If a subsidiary of any other corporation, so state N/A and give purpose of corporation N/A. If incorporated under the laws of another state, is corporation authorized to do business in the state of Minnesota? Yes No
- Describe premises to which license applies; such as (first floor, second floor, basement, etc.) or if entire building, so state.
Entire Building
- Is establishment located near any state university, state hospital, training school, reformatory or prison? Yes No If yes state approximate distance. _____
- Name and address of building owner: Wal-Mart Real Estate Business Trust
- Has owner of building any connection, directly or indirectly, with applicant? Yes No
Is applicant or any of the associates in this application, a member of the governing body of the municipality in which this license is to be issued? Yes No If yes, in what capacity? _____
- State whether any person other than applicants has any right, title or interest in the furniture, fixtures or equipment for which license is applied and if so, give name and details. No.
- Have applicants any interest whatsoever, directly or indirectly, in any other liquor establishment in the state of Minnesota?
 Yes No If yes, give name and address of establishment. See attached

- 8. Are the premises now occupied or to be occupied by the applicant entirely separate and exclusive from any other business establishment? Yes No
- 9. State whether applicant has or will be granted, an On sale Liquor License in conjunction with this Off Sale Liquor License and for the same premises. Yes No Will be granted
- 10. State whether applicant has or will be granted a Sunday On Sale Liquor License in conjunction with the regular On Sale Liquor License. Yes No Will be granted
- 11. If this application is for a County Board Off Sale License, state the distance in miles to the nearest municipality. N/A
- 12. State Number of Employees 303
- 13. If this license is being issued by a County Board, has a public hearing been held as per MN Statute 340A.405 sub2(d)? N/A
- 14. If this license is being issued by a County Board, is it located in an organized township? If so, attach township approval.

- 1. State whether applicant or any of the associates in this application, have ever had an application for a liquor license rejected by any municipality or state authority; if so, give dates and details. Yes. See Attached.
- 2. Has the applicant or any of the associates in this application, during the five years immediately preceding this application ever had a license under the Minnesota Liquor Control Act revoked for any violation of such laws or local ordinances; if so, give dates and details. No.
- 3. Has applicant, partners, officers, or employees ever had any liquor law violations or felony convictions in Minnesota or elsewhere, including State Liquor Control penalties? Yes No If yes, give dates, charges and final outcome.
See attached.
- 4. During the past license year, has a summons been issued under the Liquor Civil Liability Law (Dram Shop) M.S. 340A.802.
 Yes No If yes, attach a copy of the summons.

This licensee must have one of the following: (ATTACH CERTIFICATE OF INSURANCE TO THIS FORM.)

- Check one
- A. Liquor Liability Insurance (Dram Shop) - \$50,000 per person, \$100,000 more than one person; \$10,000 property destruction; \$50,000 and \$100,000 for loss of means of support.
 - or
 - B. A surety bond from a surety company with minimum coverage as specified in A.
 - or
 - C. A certificate from the State Treasurer that the licensee has deposited with the state, trust funds having market value of \$100,000 or \$100,000 in cash or securities.

I certify that I have read the above questions and that the answers are true and correct of my own knowledge.

| | | | |
|--|---|----------------------------------|-----------------------|
| Print name of applicant & title <u>Andrea Lazenby</u> | Signature of Applicant <u>Andrea Lazenby</u> | Title <u>Treas. Secretary</u> | Date <u>1/9/18</u> |
|--|---|----------------------------------|-----------------------|

REPORT BY POLICE/SHERIFF'S DEPARTMENT

This is to certify that the applicant and the associates named herein have not been convicted within the past five years for any violation of laws of the State of Minnesota or municipal ordinances relating to intoxicating liquor except as follows:

| | | |
|-----------------------------|-------|-----------|
| Police/Sheriff's Department | Title | Signature |
|-----------------------------|-------|-----------|

County Attorney's Signature _____ PS 9136-(2009)

IMPORTANT NOTICE

All retail liquor licensees must register with the Alcohol, Tobacco Tax and Trade Bureau.
For information call (513) 684-2979 or 1-800-937-8864

Business Record Details »

Minnesota Business Name
Walmart Inc.

Business Type
Name Reservation

File Number
983727000020

Home Jurisdiction
Minnesota

Filing Date
12/5/2017

Status
Active / In Good Standing

Renewal Due Date
12/05/2018

Registered Agent(s)
(Optional) None provided

Nameholder

Nameholder Address

CT Corporation System

120 S Central Ave., Ste. 400, Clayton, MO 63105

Filing History

Filing History

Select the item(s) you would like to order:

| <input type="checkbox"/> | Filing Date | Filing | Effective Date |
|--------------------------|-------------|---|----------------|
| <input type="checkbox"/> | 12/5/2017 | Original Filing - Name Reservation (Business Name: Walmart Inc.) | |

State of Delaware
Secretary of State
Division of Corporations
Delivered 06:55 PM 12/05/2017
FILED 07:00 PM 12/05/2017
SR 20177402782 - File Number 732109

**CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
WAL-MART STORES, INC.**

(Pursuant to Section 242 of the General Corporation Law of the State of Delaware)

Wal-Mart Stores, Inc., a corporation duly organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify that:

1. The Restated Certificate of Incorporation of the Corporation, as amended, is hereby amended solely to reflect a change in the name of the Corporation by deleting Article FIRST thereof and inserting the following in lieu thereof:

"FIRST. The name of the Corporation is Walmart Inc."

2. The Board of Directors of the Corporation has adopted a resolution approving and declaring advisable the amendment described herein in accordance with the provisions of Section 242(b)(1) of the General Corporation Law of the State of Delaware.

3. The amendment described herein has been duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware.

4. This Certificate of Amendment shall become effective on February 1, 2018 at 12:05 a.m. Eastern Time.

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be executed by its duly authorized officer on this 5th day of December, 2017.

WAL-MART STORES, INC.

By: Gordon Y. Allison

Name: Gordon Y. Allison

Title: Vice President and General Counsel -
Corporate Division, and Assistant Secretary

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "WAL-MART STORES, INC.", CHANGING ITS NAME FROM "WAL-MART STORES, INC." TO "WALMART INC.", FILED IN THIS OFFICE ON THE FIFTH DAY OF DECEMBER, A.D. 2017, AT 7 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF AMENDMENT IS THE FIRST DAY OF FEBRUARY, A.D. 2018 AT 12:05 O'CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



732109 8100
SR# 20177402782

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature in black ink, appearing to read "JBULLOCK", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

Authentication: 203692548
Date: 12-05-17

WALMART INC.
CORPORATE OFFICERS

| NAME AND TITLE | DOB | SSN | ADDRESS |
|---|------------|-------------|--|
| Doug McMillon President & CEO | 10/17/1966 | 429-15-8319 | 1701 NE Tiger Blvd. Bentonville, AR 72712 |
| Cynthia P. Moehring Sr. VP & Chief Compliance Officer | 7/3/1966 | 491-84-4120 | 2908 Red Fox Ridge Bentonville, AR 72712 |
| Matthew Allen Assistant Treasurer | 2/6/1976 | 431-33-7994 | 3 Beau Chene Lane Rogers, AR 72758 |
| Andrea Lazenby Assistant Secretary | 11/3/1983 | 442-90-8373 | 9984 Philpott Road Bentonville, AR 72712 |

The above officers / directors own less than 1% stock of Wal-Mart Stores, Inc., a public corporation.