

KASSON CITY COUNCIL REGULAR MEETING AGENDA

Wednesday, May 13, 2020

6:00 PM

PLEDGE OF ALLIANCE

6:00 A. COUNCIL

1. Approve agenda - Make additions, deletions or corrections at this time.
2. Consent Agenda - All matters listed under Item 2, Consent Agenda, are considered to be routine and non-controversial by the City Council and will be enacted with one motion. There will not be separate discussion of these items unless a Council Member so requests, in which case the item will be removed from the Consent Agenda and will be considered separately.
 - a. i Minutes from April 22, 2020
 - ii. Minutes from April 29 City Council Special Meeting
 - b. Claims processed after the April 22, 2020 regular meeting, as audited for payment
 - c. EDA Loans
 - i. Gadiant Hospitality
 - ii. Daisy Mae Consignments
 - d. Acknowledge Committee Minutes
 - i. May Fire Department Meeting Minutes
 - ii. April Fire Department Meeting Minutes
 - e. Evaluations:

i. Paul Lindgren	Police Officer	Grade 10 Step 6	\$31.13	Eff 4-11-20
ii. Mark Rappe	PT Parks	Grade 4 Step 2	\$18.25	Eff 4-17-20
iii. Dave Vosen	W/WW Supervisor	At top of Grade 13	\$39.38	

B. VISITORS TO THE COUNCIL

1. Smith, Shafer and Associates – 2019 Audit Review

C. MAYOR'S REPORT

1. Accept 2019 Audit

D. PUBLIC FORUM

- May not be used to continue discussion on an agenda item that already had been held as a public hearing.
- This section is limited to 15 minutes and each speaker is limited to 4 minutes.
- Speakers not heard will be first to present at the next Council meeting.
- Speakers will only be recognized once.
- Matters under negotiation, litigation or related to personnel will not be discussed.
- Questions posed by a speaker will generally be responded to in writing.
- Speakers will be required to state their name and their address for the record.

E. PUBLIC HEARING

F. COMMITTEE REPORT

1. Blaine's 14th Preliminary Plat
2. Blaine's 14th Development Agreement
3. Blaine's 14th Environmental Corridor and Trail Easement
4. Blaine's 14th Promissory Note

5. Blaine's 14th Mortgage

G. OLD BUSINESS

1. Bulk Water
2. Summer Electric Rates
3. Disconnects for June and Penalties for June
4. Cable Franchise Agreement

H. NEW BUSINESS

1. Sidewalk Issue

I. ADMINISTRATORS REPORT

1. HR Furloughs and layoff League Memo
2. Administrators Report
3. Financial Concerns for Kasson's Budget

J. ENGINEER'S REPORT

1. Status update on Hwy 57 Project
2. 16th St
 - a. Professional Services Agreement

K. PERSONNEL

1. Accept Police Chief Retirement Letter

L. ATTORNEY

1. Approve Final Union Contracts

M. CORRESPONDENCE

1. April Police Department Calls for Service
2. Electric Department Head Report
3. Public Works Department Head Report
4. Water/Wastewater Department Head Report
5. SCDP Report
6. Additional Department Head Reports

N. ADJOURN

1 **KASSON CITY COUNCIL REGULAR MEETING**

2 **Wednesday, April 22 2020**

3 **6:00 PM**

4
5
6 Pursuant to due call and notice thereof, a regular City Council meeting was held at City Hall on the 22nd day of
7 April, 2020 at 6:00 P.M. With a work session at 5:00PM regarding the 2019 Audit results.

8
9 **THE FOLLOWING MEMBERS WERE PRESENT:** Burton, Egger, Ferris, McKern and Zelinske

10
11 **THE FOLLOWING MEMBERS WERE ABSENT:** None

12
13 **THE FOLLOWING WERE ALSO PRESENT:** City Administrator Tim Ibisch, City Attorney Melanie Leth, City Engineer
14 Theobald, Finance Director Zaworski, Alex Nuehring, Mike Bubany, Jason Wilker and Julie Nagorski

15
16 **PLEDGE OF ALLIEGANCE**

17 **APPROVE AGENDA**

18 Move: M7 to Consent A.2.e. Resolution for Distributed Energy Resources

19 Add: C.1 Budget Discussion

20 Add: L1. Closed Session for Litigation Update on Wilker

21 **Motion to Approve the Agenda as Amended made by Councilperson Zelinske, second by Councilperson Burton**
22 **with All Voting Aye.**

23
24 **COUNCIL**

25
26 Approve agenda - Make additions, deletions or corrections at this time.

27 Consent Agenda

28
29 Minutes from March 25, 2020

30
31 Claims processed after the March 25, 2020 regular meeting, as audited for payment in the amount of
32 \$474,829.84

33
34 Acknowledge Committee Minutes

35 Park Board Minutes March - Draft

36
37 Evaluations:

38 Ron Unger Park and Rec Director Grade 13 Step 7 At Top of Scale

39 Kyle Wheeler Apprentice Lineworker inc to Grade 11 Step 5 \$32.25 Remove from Probation
40 effective 4-14-20

41 Eric Henderson Journeyman Lineworker inc to Grade 11 Step 7 \$34.38 Remove from Probation
42 effective 4-14-20

43 Corey Carstensen Parks/Streets PWW Grade 7 Step 7 At Top of Scale

44
45 Resolution for Distributed Energy Resources

46 ***Resolution #4.1-20***

47 ***A resolution adopting Kasson Public Utilities Policy Regarding Distributed Energy Resources and Net Metering***
48 ***and Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities.***

49 ***(on file)***

50 **Motion to Approve the Consent Agenda made by Councilperson Ferris, second by Councilperson Egler with All**
51 **Voting Aye.**

52
53 **VISITORS TO THE COUNCIL**

54 Mike Bubany of David Drown and Associates presented the possible refunding of the pool bonds that were issued
55 in 2013. His recommendation is to use MN Rural Water Association's loan program. This will save the City over
56 \$53,000.

57
58 **Motion to Approve the Resolution made by Councilperson Egler, second by Councilperson Burton with All**
59 **Voting Aye.**

60
61 ***Resolution #4.2-20***

62 ***Resolution Providing for the Issuance and Sale of a \$1,583,000 General Obligation Refunding Note, Series***
63 ***2020B, and Levying a Tax for the Payment Thereof***
64 ***(on file)***

65 **MAYOR'S REPORT**

66 Mayor McKern thanked the staff for their hard work and reminded everyone how hard the open businesses are
67 trying to keep up and to thank them when you go there. **Motion to give authority to the City Administrator and**
68 **Finance Director that purchases are at their discretion, made by Mayor McKern, second by Councilperson**
69 **Zelinske with All Voting Aye.**

70
71 **PUBLIC FORUM**

72
73 **PUBLIC HEARING**

74
75 **COMMITTEE REPORT**

76 **Blaines 14th Preliminary Plat** – This will be deferred to the next meeting

77 **Wilker Conditional Use Permit** – This resolution will be moved until the discussion is finished at the
78 Attorney's Closed Session.

79
80 **Park Board Update** – Councilperson Egler stated that the Park Board decided that the latest the pool
81 would open would be July 15 and since they need two weeks to get it ready to be open the Council decision
82 would have to be made by July 4. The Park Board would like to keep it open until Labor Day. It costs between
83 \$20,000 and \$25,000 just to open the pool. The software upgrade the pool was going to get for this year will be
84 put off until next year. If the pool is not going to open by the normal opening day the seasonal passes checks will
85 be returned.

86
87 For Softball/Baseball the Park Board is waiting on the State regulations but Ron Unger stated that the fields need
88 to be kept up regardless.

89
90 Regarding the stone wall, Egler stated that he was contacted by someone putting a proposal together. Egler
91 stated that the wall would have to be done purely by donations; the City is not in a position to contribute now.

92
93 **OLD BUSINESS**

94 **Liquor License Proration** – Administrator Ibisch stated the staff will prorate the licenses next year for the
95 amount of months they have had to be closed in 2020 instead of refunding payments.

96
97 **NEW BUSINESS**

98 **Ice Arena** – the Ice Arena Board has met and the decision has been made to take the ice out and close
99 until further notice. Mr. Howarth has been temporarily been shifted to the Parks/Streets department rather than

00 being furloughed. Mayor McKern stated the issue of the contract with the Fair Board and the City regarding the
01 ice at the Ice Arena.

02
03 **Request from American Legion** – Administrator Ibsch stated that this should be on a case by case basis.
04 This may also be an issue with the license and/or insurance.

05 06 **ADMINISTRATORS REPORT**

07 **Report** – Administrator Ibsch stated that the streets position that was approved has been put on hold
08 and he suggests a hiring freeze.

09 Ibsch addressed a redeployment of workers to keep them working, the Library staff is determining how
10 to/if the summer programs will be held, the police department has asked for a credit card reader and the
11 Administrator and Finance Director do not feel it in the best interest to get this right now. Administrator Ibsch
12 stated that through CMMPAS we can use “Go to Meeting” free.

13 14 **ENGINEER’S REPORT**

15 **2020 Crack Filling**

16 Crack Filling Map

17 Bid Tabulation – the bids came in at budget.

18 Resolution Awarding 2020 Crack Sealing – motion to Approve the Resolution made by Councilperson
19 Burton, Second by Councilperson Zelinske with All Voting Aye.

20 ***Resolution #4.3-20***

21 ***A Resolution Awarding and Approving 2020 Crack Filling Quotes***
22 ***(on file)***

23 **2020 Chip Sealing**

24 Chip Sealing Map

25 Bid Tabulation – the bids came in lower than expected and the Council would like to leave the budgeted
26 amount in to move to staff patching or save it in the budget.

27 Resolution Awarding 2020 Chip Sealing – Motion to Approve the Resolution made by Councilperson
28 Egger, Second by Councilperson Ferris with All Voting Aye.

29 ***Resolution #4.4-20***

30 ***A Resolution Awarding and Approving 2020 Chip Sealing Quotes***
31 ***(on file)***

32 **16th Street N.E. Improvements**

33 Revised plan change order #1 & #2 – Change order #1 would likely be funded by MnDOT, this includes
34 adding additional curb and gutter and extending it to 16th street and accommodating a trail extension to a
35 potential new development that may happen on the north side of 16th St NE, the cost of this is \$38,600. Change
36 order #2 would be funded by the water utility and this would be a water main extension to accommodate the
37 potential development to the east on 16th St NE., this would be \$9,000. **Motion to Approve the Change orders**
38 **made by Councilperson Egger, second by Councilperson Zelinske with All Voting Aye.**

39 40 **PERSONNEL**

41 **ATTORNEY REPORT**

42 **Closed Session Regarding the Wilker Litigation**

43 Closed at 6:48PM

44 Opened at 8:15PM

45 Mayor McKern stated that they had an update on the Wilker litigation and a settlement agreement that all
46 parties have signed.

47 **Motion to Approve the Conditional Use Permit to Allow for Continued Operations based on the**
48 **recommendation from the Planning Commission made by Councilperson Burton, second by Councilperson**
49 **Egger with All Voting Aye.**

50 **Resolution #4.5-20**
51 **Resolution Approving a Conditional Use Permit to Allow for Continued Operations**
52 **(on file)**
53

54 **CORRESPONDENCE**

55 Correspondence was reviewed.
56

57 **ADJOURN 8:17PM**

58 **Motion to Adjourn made by Councilperson Burton, second by Councilperson Ferris with all voting Aye to**
59 **Adjourn.**
60

61 **ATTEST:**
62
63
64
65
66
67

68 _____
69 Linda Rappe, City Clerk
70

Chris McKern, Mayor

1 **KASSON CITY COUNCIL SPECIAL MEETING**

2 **Wednesday, April 29 2020**

3 **5:30 PM**

4
5
6 Pursuant to due call and notice thereof, a special City Council meeting was held at City Hall on the 29th day of
7 April, 2020 at 5:30 P.M.

8
9 **THE FOLLOWING MEMBERS WERE PRESENT:** Burton, Egger, Ferris, McKern and Zelinske

10
11 **THE FOLLOWING MEMBERS WERE ABSENT:** None

12
13 **THE FOLLOWING WERE ALSO PRESENT:** City Administrator Tim Ibisch, City Clerk Linda Rappe and Finance
14 Director Nancy Zaworski

15
16 **NEW BUSINESS**

17 **Consideration of Police Chief hiring process** – The Personnel Committee met last week. Administrator Ibisch
18 stated that they discussed the job description and hiring internal vs. external, the committee wanted the whole
19 Council’s feel. Ibisch stated that this position will not be union with the next chief.

20 Internal vs external – Mayor McKern stated that the committee felt that filling it internally if there are qualified
21 candidates would give continuity and keep moral up. The current Chief is planning on taking the month of June as
22 vacation and retiring the end of June. Administrator Ibisch stated that Chief Berghuis stated that the job
23 description currently requires a Bachelor’s degree and he feels and suggested that an Associates degree with
24 experience is more appropriate. The expectation for the new Chief would be more hands on. The council would
25 like to leave Bachelor’s degree in there but to add an Associates with a combination of other supervisory offices.
26 The Council feels there are a lot of layers of management in the police department and that can be restructured.
27 The Council would like improvement with scheduling and mobilization and restructuring. **Motion to move**
28 **forward with posting the position with the changes as discussed and changes in the job description made by**
29 **Mayor McKern, second by Councilperson Ferris with All Voting Aye.**

30
31 **OTHER BUSINESS**

32 Do we want to have Summer rate for electric – the Council would like to have the Finance Director get numbers
33 together for the next regular council meeting.

34
35 Water loss item identified is pool filling by the fire department. We need to account for the water even if we don’t
36 charge for it. This is for the Council’s consideration.

37
38 Barring the Governor’s statement this week the Council is in agreement that the working remotely will end on
39 Monday May 4 and the doors to the City Offices will open on May 4.

40
41 ICS was in town today and toured the public buildings to talk about updating and/or building a new building for
42 the Fire Department. This is informational right now and the process will take time so that all stakeholders can be
43 consulted properly.

44
45 **ADJOURN 6:07PM**

46 **Motion to Adjourn made by Councilperson Egger, second by Councilperson Burton with all voting Aye to**
47 **Adjourn.**

48
49 **ATTEST:**

50
51 _____

SIGNATURE PAGE

THE ATTACHED LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT.

THIS INCLUDES WARRANT NUMBERS:

#1 - #4

GRAND TOTAL SUBMITTED FOR PAYMENT \$ 257,264.11

DATE APPROVED: 05-13-2020

#1 \$ 4060.01

#2 585.03

#3 78,891.87

#4 173,797.20

\$ 257,334.11

- 70.00

257,264.11

Fund 101- VOID

04/29/20
13:15:34

CITY OF KASSON
Claim Approval List
For the Accounting Period: 4/20
For Pay Date: 04/29/20

Page: 1 of 4
Report ID: AP100V

#1

For Pay Date = 04/29/20
* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
33951		5158 BATTERIES PLUS BULBS	110.65					
	P25482336	03/26/20 BATTERIES	110.65			101 220 4220	220	1010
		Total for Vendor:	110.65					
33952		5678 FURTHER	163.00					
	15459028	04/08/20 ADD'L MAR-PARTICIPANT FEES	3.95*			101 140 4140	440	1010
	15459028	04/08/20 APRIL-PARTICIPANT FEES	159.05*			101 140 4140	440	1010
		Total for Vendor:	163.00					
33953		6123 K-M YOUTH FISHING TEAM	200.00					
	04/01/20	LIQUOR STORE SPONSORSHIP	200.00			609 976 4976	343	1010
		Total for Vendor:	200.00					
33957		5881 NAPA AUTO PARTS	1,673.05					
		Unassigned will be coded to proper funds when invoices are received.						
	369772	03/02/20 Parts-Parks	34.54			101 522 4522	220	1010
	369829	03/03/20 Parts-Parks	14.36			101 522 4522	220	1010
	369964	03/04/20 Parts-wwtp	19.80			602 947 4947	220	1010
	370022	03/05/20 Parts-unassigned	49.68			101 312 4312	220	1010
	370122	03/06/20 Parts-Electric	113.04			604 957 4957	220	1010
	370122	03/06/20 Sales tax	7.77			604 957 4957	220	1010
	370122	03/06/20 Sales tax	-7.77			604	2025	1010
	370122	03/06/20 D C transit tax	0.56			604 957 4957	220	1010
	370122	03/06/20 D C transit tax	-0.56			604	2026	1010
	370381	03/06/20 Parts-streets	79.94			101 310 4310	220	1010
	370409	03/09/20 Parts-streets	33.37			101 310 4310	220	1010
	370423	03/09/20 Parts-streets	254.63			101 310 4310	220	1010
	370528	03/10/20 Parts-P D	46.40			101 210 4210	220	1010
	370587	03/11/20 Parts-P D	8.69			101 210 4210	220	1010
	370625	03/11/20 Parts-electric	15.98			604 957 4957	220	1010
	370625	03/11/20 Sales tax	1.09			604 957 4957	220	1010
	370625	03/11/20 Sales tax	-1.09			604	2025	1010
	370625	03/11/20 D C transit tax	0.07			604 957 4957	220	1010
	370625	03/11/20 D C transit tax	-0.07			604	2026	1010
	370662	03/12/20 Parts-streets	230.54			101 310 4310	220	1010
	370666	03/12/20 Parts-unassigned	48.99			101 312 4312	220	1010

04/29/20
13:15:34

CITY OF KASSON
Claim Approval List
For the Accounting Period: 4/20
For Pay Date: 04/29/20

Page: 2 of 4
Report ID: AP100V

For Pay Date = 04/29/20

* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
	300245	03/16/20 Parts-unassigned	32.07			101 312 4312	220	1010
	371012	03/16/20 Parts-streets	24.26			101 310 4310	220	1010
	371177	03/18/20 CR-parts returned-streets	-66.00			101 310 4310	220	1010
	371216	03/18/20 Parts-unassigned	14.38			101 310 4310	220	1010
	371217	03/18/20 Parts-wwtp	163.99			602 947 4947	220	1010
	371273	03/19/20 Parts-unassigned	189.39			101 310 4310	220	1010
	371371	03/20/20 Parts-P D	268.88			101 210 4210	220	1010
	371439	03/21/20 Parts-P D	21.38			101 210 4210	220	1010
	371574	03/23/20 Parts-unassigned	34.97			101 310 4310	220	1010
	371759	03/25/20 Parts-wwtp	34.99			602 947 4947	220	1010
	372256	03/31/20 Parts-F D	4.78			101 220 4220	220	1010
		Total for Vendor:	1,673.05					
33954		3571 STATE INDUSTRIAL PRODUCTS CORP.	58.44					
	901423575	03/17/20 SOAP FACTORY PRO	58.44			606 516 4516	220	1010
		Total for Vendor:	58.44					
33955		5035 VALLI INFORMATION SYSTEMS INC	1,854.87					
	58253	03/31/20 UTILITY BILLING MAILING	370.97			601 944 4944	325	1010
	58253	03/31/20 UTILITY BILLING MAILING	370.97			602 949 4949	325	1010
	58253	03/31/20 UTILITY BILLING MAILING	741.96			604 959 4959	325	1010
	58253	03/31/20 UTILITY BILLING MAILING	370.97			605 963 4963	325	1010
		Total for Vendor:	1,854.87					
		# of Claims	6	Total:				4,060.01

04/29/20
13:15:35

CITY OF KASSON
Claim Approval Signature Page
For the Accounting Period: 4 / 20

Page: 4 of 4
Report ID: AP100A

CITY OF KASSON
401 5TH STREET SE
KASSON, MN 55944-2204

The claim batch dated _____ are approved for payment.

APPROVED _____ Council Member

_____ Council Member

See signature page

#2

05/08/20
10:47:47

CITY OF KASSON
Claim Approval List
For the Accounting Period: 5/20
For Pay Date: 05/05/20

Page: 1 of 3
Report ID: AP100V

* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
*** Claim from another period (4/20) ****								
33958	E	5691 FURTHER-FSA	295.08					
		39414086 04/28/20 FLEX REIMBURSEMENT	295.08			101 2177		1010
34064	E	5691 FURTHER-FSA	48.05					
		39418767 05/05/20 FLEX REIMBURSEMENT	48.05			101 2177		1010
Total for Vendor:			343.13					
*** Claim from another period (4/20) ****								
33959	E	3785 I.R.S.	171.90					
		04/15/20 1st QTR ST DISABILITY SS MATCH	139.32			101 140 4140	122	1010
		04/15/20 1st QTR STD MEDICARE MATCH	32.58			101 140 4140	123	1010
Total for Vendor:			171.90					
*** Claim from another period (4/20) ****								
33960		2929 Minnesota GFOA	70.00					
		REPLACES CHECK 59725- HAD OLD ADDRESS & IT NEVER GOT TO THE NEW TREASURER						
		12590 02/18/20 ZAWORSKI DUES-3/1/20-21	70.00			101 140 4140	334	1010
Total for Vendor:			70.00					
# of Claims			4	Total:				585.03
Total Electronic Claims								515.03
Total Non-Electronic Claims								70.00

05/08/20
10:47:48

CITY OF KASSON
Fund Summary for Claims
For the Accounting Period: 5/20

Page: 2 of 3
Report ID: AP110

Fund/Account	Amount
101 General Fund	
1010 CASH-OPERATING	\$585.03
Total:	\$585.03

#3

05/06/20
09:08:20

CITY OF KASSON
Claim Approval List
For the Accounting Period: 5/20
For Pay Date: 05/06/20

For Pay Date = 05/06/20
* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
33962		5049 ARTISAN BEER COMPANY	174.70					
	3414320	04/14/20 BEER	121.20			609 975 4975	252	1010
	3415038	04/21/20 BEER	53.50			609 975 4975	252	1010
		Total for Vendor:	174.70					
33963		1012 BELLBOY CORPORATION	445.17					
	0083646200	04/16/20 LIQUOR	372.55			609 975 4975	251	1010
	0083646200	04/16/20 WINE	80.00			609 975 4975	251	1010
	0083646200	04/16/20 FREIGHT	8.00			609 975 4975	335	1010
	6556200CR	03/03/20 LIQUOR CREDIT	-15.38			609 975 4975	251	1010
		Total for Vendor:	445.17					
33988		4708 BOUND TREE MEDICAL LLC	47.95					
	83583915	04/08/20 HAND SANITIZER	47.95			101 220 4220	210	1010
		Total for Vendor:	47.95					
33964		5239 BREAKTHRU BEVERAGE MN WINE &	3,942.40					
	1081123540	04/15/20 WINE	128.00			609 975 4975	251	1010
	1081123540	04/15/20 MIXES	30.00			609 975 4975	254	1010
	1081123540	04/15/20 FREIGHT	12.95			609 975 4975	335	1010
	1081123540	04/15/20 LIQUOR	701.84			609 975 4975	251	1010
	1081125714	04/22/20 LIQUOR	2,696.91			609 975 4975	251	1010
	1081125714	04/22/20 WINE	248.00			609 975 4975	251	1010
	1081125714	04/22/20 MIXES	82.00			609 975 4975	254	1010
	1081125714	04/22/20 FREIGHT	42.70			609 975 4975	335	1010
		Total for Vendor:	3,942.40					
33965		5836 CARLOS CREEK WINERY	765.00					
	19095	04/15/20 WINE	765.00			609 975 4975	251	1010
		Total for Vendor:	765.00					
33989		4238 CINTAS CORP	63.00					
	8404601244	04/17/20 RESTOCK 1ST AID KITS	12.60			101 920 4920	433	1010
	8404601244	04/17/20 RESTOCK 1ST AID KITS	12.60			601 943 4943	433	1010
	8404601244	04/17/20 RESTOCK 1ST AID KITS	12.60			602 948 4948	433	1010
	8404601244	04/17/20 RESTOCK 1ST AID KITS	12.60			604 957 4957	433	1010

05/06/20
09:08:20

CITY OF KASSON
Claim Approval List
For the Accounting Period: 5/20
For Pay Date: 05/06/20

Page: 2 of 8
Report ID: AP100V

For Pay Date = 05/06/20
* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
	8404601244	04/17/20 RESTOCK 1ST AID KITS	12.60			605 963 4963	433	1010
		Total for Vendor:	63.00					
33966		5627 CORE & MAIN LP	1,702.53					
	M204319	04/15/20 REP CLMP/CPLG	1,702.53			601 943 4943	220	1010
		Total for Vendor:	1,702.53					
33997		6126 DAISY MAE CONSIGNMENTS	2,400.00					
	05/05/20	S.T. BUSINESS INTERRUPT. LOAN	2,400.00			226 1202		1010
		Total for Vendor:	2,400.00					
33967		187 DODGE COUNTY	9,202.00					
	04/01/20	24.004.1300 '20 TAX-CEMETERY	4,806.00			610 984 4984	430	1010
	04/01/20	24.028.0200 '20 TAX-DUPLEX	2,592.00*			101 310 4310	430	1010
	04/01/20	24.901.1450 '20 TAX-OLD LIBRAR	1,804.00			101 1151		1010
		Total for Vendor:	9,202.00					
33968		21 ERDMAN'S SUPERMARKETS INC	11.50					
	b702849	03/18/20 SANITIZER-C H	5.75			101 140 4140	220	1010
	b702850	03/18/20 SANITIZER-L S	5.75			609 976 4976	210	1010
	b702850	03/18/20 SALES TAX	0.40			609 976 4976	210	1010
	b702850	03/18/20 SALES TAX	-0.40			609 2025		1010
	b702850	03/18/20 D C TRANSIT TAX	0.03			609 976 4976	210	1010
	b702850	03/18/20 D C TRANSIT TAX	-0.03			609 2026		1010
		Total for Vendor:	11.50					
33995		6125 GADIENT HOSPITALITY GROUP LTD	5,000.00					
	05/05/20	S.T. BUSINESS INTERRUPT. LOAN	5,000.00			226 1201		1010
		Total for Vendor:	5,000.00					
33969		28 GRAYBAR ELECTRIC	157.32					
	9315524967	04/15/20 LED LIGHTS	157.32			604 957 4957	220	1010
		Total for Vendor:	157.32					

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33971		25 JOHNSON BROTHERS LIQUOR CO	9,182.96					
	1541945	04/14/20 LIQUOR	2,547.40			609 975 4975	251	1010
	1541946	04/14/20 WINE	2,032.45			609 975 4975	251	1010
	1541947	04/14/20 MIXES	108.00			609 975 4975	254	1010
	599720	04/16/20 MIXES CREDIT	-54.00			609 975 4975	254	1010
	599720	04/16/20 FREIGHT CREDIT	-1.69			609 975 4975	335	1010
	1545310	04/21/20 LIQUOR	1,694.70			609 975 4975	251	1010
	1545311	04/21/20 WINE	2,802.10			609 975 4975	251	1010
	1545312	04/21/20 MIXES	54.00			609 975 4975	254	1010
		Total for Vendor:	9,182.96					
33972		4427 KASSON LASER GRAPHICS	275.00					
	8382	04/15/20 WEB SITE HOST THRU 3/9/21	250.00*			877 100 4000	430	1010
	8382	04/15/20 DOMAIN NAME RENEWAL	25.00*			877 100 4000	430	1010
		Total for Vendor:	275.00					
33990		55 MN ENERGY RESOURCES CORP	2,479.89					
	04/28/20	NAT GAS-K.A.C.	45.68			101 514 4514	380	1010
	04/28/20	NAT GAS-L.S.	83.99			609 979 4979	380	1010
	04/28/20	NAT GAS-RENTAL (OLD LIBRARY)	39.84			101 1151		1010
	04/28/20	SALES TAX	2.73			101 1151		1010
	04/28/20	SALES TAX	-2.73			101 2025		1010
	04/28/20	D C TRANSIT TAX	0.19			101 1151		1010
	04/28/20	D C TRANSIT TAX	-0.19			101 2026		1010
	04/24/20	NAT GAS-C H	177.23			101 194 4194	380	1010
	04/27/20	NAT GAS-P D	142.68			101 210 4210	380	1010
	04/27/20	NAT GAS-F D	164.03			101 220 4220	380	1010
	04/27/20	NAT GAS-F D	168.01			101 220 4220	380	1010
	04/28/20	NAT GAS-PARK MAINT SHED	142.43			101 522 4522	380	1010
	04/29/20	NAT GAS-P.W.B. 1/2	380.86			101 310 4310	380	1010
	04/29/20	NAT GAS-P.W.B. 1/2	380.85			604 957 4957	380	1010
	04/29/20	SALES TAX	26.18			604 957 4957	380	1010
	04/29/20	SALES TAX	-26.18			604 2025		1010
	04/29/20	D C TRANSIT TAX	1.90			604 957 4957	380	1010
	04/29/20	D C TRANSIT TAX	-1.90			604 2026		1010
	04/29/20	NAT GAS-WWTP	580.63			602 947 4947	380	1010

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	04/28/20	NAT GAS-LIBRARY	173.66			211 550 4550	380	1010
		Total for Vendor:	2,479.89					
33973		60 NORTHERN BEVERAGE DIST. CO. LL	11,197.90					
	632604 04/16/20	BEER	3,576.85			609 975 4975	252	1010
	632604 04/16/20	FREIGHT	2.00			609 975 4975	335	1010
	634619 04/23/20	BEER	7,617.05			609 975 4975	252	1010
	634619 04/23/20	FREIGHT	2.00			609 975 4975	335	1010
		Total for Vendor:	11,197.90					
33974		502 ON-SITE COMPUTERS INC	44.07					
	CW67687 04/10/20	REMOTE SUPPORT-L S COMPUTERS	44.07			609 979 4979	400	1010
		Total for Vendor:	44.07					
33975		23 PHILLIPS WINE & SPIRITS	5,194.89					
	6024512 04/14/20	LIQUOR	2,895.86			609 975 4975	251	1010
	6024513 04/14/20	WINE	559.00			609 975 4975	251	1010
	6024514 04/14/20	MIXES	48.00			609 975 4975	254	1010
	603575 04/02/20	LIQUOR CREDIT	-59.50			609 975 4975	251	1010
	6026580 04/21/20	WINE	913.28			609 975 4975	251	1010
	6026581 04/21/20	WINE	794.25			609 975 4975	251	1010
	6026582 04/21/20	MIXES	44.00			609 975 4975	254	1010
		Total for Vendor:	5,194.89					
33976		63 SCHOTT DIST CO INC	18,420.05					
	388452 04/16/20	BEER	5,434.25			609 975 4975	252	1010
	388452 04/16/20	NA BEVERAGE	128.00			609 975 4975	254	1010
	388907 04/23/20	BEER	12,656.95			609 975 4975	252	1010
	388907 04/23/20	NA BEVERAGE	200.85			609 975 4975	254	1010
		Total for Vendor:	18,420.05					
33977		3850 SOUTHERN GLAZER'S OF MN	2,073.95					
	1944196 04/15/20	LIQUOR	1,331.89			609 975 4975	251	1010
	1944196 04/15/20	WINE	46.00			609 975 4975	251	1010
	1944196 04/15/20	FREIGHT	12.40			609 975 4975	335	1010
	1945992 04/22/20	LIQUOR	675.91			609 975 4975	251	1010
	1945992 04/22/20	FREIGHT	7.75			609 975 4975	335	1010
		Total for Vendor:	2,073.95					

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33978		498 TEIGEN PAPER & SUPPLY INC	125.40					
	370725	04/06/20 ROLL TOWELS	67.84			101 210 4210	220	1010
	95837	04/20/20 FOLD TOWELS	28.78			101 210 4210	210	1010
	95838	04/20/20 FOLD TOWELS	28.78			101 140 4140	210	1010
		Total for Vendor:	125.40					
33979		5 TOTAL REGISTER SYSTEMS INC	240.00					
	1050429	04/13/20 ONLINE BACKUP THRU 05/2021	240.00			609 976 4976	370	1010
		Total for Vendor:	240.00					
33991		4108 ULTIMATE SAFETY CONCEPTS INC	650.00					
	187823	04/10/20 ADAPTER/CARTRIDGE/3M COVERALL	650.00			101 220 4220	240	1010
		Total for Vendor:	650.00					
33980		939 USA BLUEBOOK	1,093.23					
	206605	04/14/20 FLUOR REAGENT/RUSTOLEUM/CHLOR	867.19			602 947 4947	210	1010
	209260	04/16/20 TYVEK COVERALLS (COVID19)	226.04			605 963 4963	210	1010
		Total for Vendor:	1,093.23					
33981		71 UTILITY CONSULTANTS INC	2,145.75					
	104386	02/26/20 TOTAL COLIFORM	105.00			601 943 4943	440	1010
	104386	02/26/20 CBOD/TSS/TOT PHOSPH/AMMONIA	1,786.25			602 947 4947	440	1010
	104412	02/26/20 MANTORVILLE TESTING	254.50			602 947 4947	440	1010
		Total for Vendor:	2,145.75					
33983		5047 WATERVILLE FOOD & ICE INC	39.40					
	05-012279	04/16/20 ICE-LIQUOR STORE	39.40			609 975 4975	257	1010
		Total for Vendor:	39.40					
33994		5818 WEX Bank	1,710.88					
	65005269	04/23/20 129.022 GAL UNLD-ELECTRIC	178.40			604 957 4957	212	1010
	65005269	04/23/20 59.515 GAL UNLD-PARKS	82.32			101 522 4522	212	1010
	65005269	04/23/20 689.653 GAL UNLD-P D	958.74			101 210 4210	212	1010
	65005269	04/23/20 17.626 GAL UNLD-STREETS	21.25			101 310 4310	212	1010
	65005269	04/23/20 58.052 GAL UNLD-WATER	80.29			601 943 4943	212	1010
	65005269	04/23/20 85.097 GAL UNLD-WW	126.51			602 948 4948	212	1010

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	65005269	04/23/20 PAPER FEE	10.00			101 140 4140	430	1010
	65005269	04/23/20 APR STMT FIN CHARGE	120.64			101 140 4140	430	1010
	65005269	04/23/20 MAR STMT FIN CHARGE	132.73			101 140 4140	430	1010
		Total for Vendor:	1,710.88					
33984		2427 XCEL ENERGY	31.66					
	681302605	04/17/20 UTIL SERV-NW LIPT ST 3/17-4	302.36			602 948 4948	380	1010
	681302605	04/17/20 DUPLICATE PAYMENT CK# 59917	-270.70			602 948 4948	380	1010
		Total for Vendor:	31.66					
33985		50 XCEL ENERGY	16.45					
	679433008	04/03/20 UTIL SERV-STR LT 3/3-4/2	16.45			101 316 4316	380	1010
		Total for Vendor:	16.45					
33986		2731 ZAWORSKI, NANCY	58.82					
	04/21/20	COMMUNITY SHELTER SUPPLIES	51.32			101 417 4417	210	1010
	04/29/20	MAILING-BOND INFORMATION	7.50			101 140 4140	210	1010
		Total for Vendor:	58.82					
		# of Claims	30	Total:	78,891.87			

CITY OF KASSON
Fund Summary for Claims
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Fund/Account	Amount
101 General Fund	
1010 CASH-OPERATING	\$7,899.41
211 Library Fund	
1010 CASH-OPERATING	\$173.66
226 EDA RLF	
1010 CASH-OPERATING	\$7,400.00
601 Water Fund	
1010 CASH-OPERATING	\$1,900.42
602 Sewer Fund	
1010 CASH-OPERATING	\$3,659.34
604 Electric Fund	
1010 CASH-OPERATING	\$729.17
605 Storm Water	
1010 CASH-OPERATING	\$238.64
609 Liquor Fund	
1010 CASH-OPERATING	\$51,810.23
610 Maple Grove Cemetery	
1010 CASH-OPERATING	\$4,806.00
877 Festival in Park Fund	
1010 CASH-OPERATING	\$275.00
Total:	\$78,891.87

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CITY OF KASSON
401 5TH STREET SE
KASSON, MN 55944-2204

The claim batch dated _____ are approved for payment.

APPROVED See signature page Council Member
_____ Council Member

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33999		2160 ABM EQUIPMENT & SUPPLY LLC	45.41					
	0163405IN	04/20/20 EMERGENCY POWER SWITCH	45.41			604 957 4957	220	1010
	0163405IN	04/20/20 SALES TAX	3.12			604 957 4957	220	1010
	0163405IN	04/20/20 SALES TAX	-3.12			604 2025		1010
	0163405IN	04/20/20 D C TRANSIT TAX	0.22			604 957 4957	220	1010
	0163405IN	04/20/20 D C TRANSIT TAX	-0.22			604 2026		1010
		Total for Vendor:	45.41					
34059		2693 AFFORDABLE PORTABLES	170.00					
	15501 05/01/20	MAY PORTABLES-2 STD UNITS	170.00			101 522 4522	410	1010
		Total for Vendor:	170.00					
34048		6127 ANDERSON, ANN	88.91					
	1256-07 04/27/20	RL/WA MTR DEP REFUND AFT APPL	88.91			604 2212		1010
		Total for Vendor:	88.91					
34051		2373 ARROW BUILDING CENTER	456.35					
	4909979 04/20/20	LUMBER/SCREWS	356.28			602 947 4947	210	1010
	4918438 04/28/20	LUMBER	100.07			602 947 4947	210	1010
		Total for Vendor:	456.35					
34000		5049 ARTISAN BEER COMPANY	102.50					
	3415804 04/28/20	BEER	102.50			609 975 4975	252	1010
		Total for Vendor:	102.50					
34001		1012 BELLBOY CORPORATION	667.13					
	83743000 04/23/20	LIQUOR	493.40			609 975 4975	251	1010
	83743000 04/23/20	WINE	112.00			609 975 4975	251	1010
	83743000 04/23/20	FREIGHT	10.00			609 975 4975	335	1010
	101225300 04/23/20	BAGS	51.73			609 975 4975	210	1010
	101225300 04/23/20	SALES TAX	3.55			609 975 4975	210	1010
	101225300 04/23/20	SALES TAX	-3.55			609 2025		1010
	101225300 04/23/20	D C TRANSIT TAX	0.25			609 975 4975	210	1010
	101225300 04/23/20	D C TRANSIT TAX	-0.25			609 2026		1010
		Total for Vendor:	667.13					

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34053		2738 BLACK MOUNTAIN SOFTWARE INC	10,703.00					
	25580	05/01/20 ANNUAL MAINT AGRMNT	1,426.60			101 192 4192	370	1010
	25580	05/01/20 ANNUAL MAINT AGRMNT	285.32			211 550 4550	370	1010
	25580	05/01/20 ANNUAL MAINT AGRMNT	1,069.95			601 944 4944	370	1010
	25580	05/01/20 ANNUAL MAINT AGRMNT	927.29*			602 947 4947	370	1010
	25580	05/01/20 ANNUAL MAINT AGRMNT	142.66			602 949 4949	370	1010
	25580	05/01/20 ANNUAL MAINT AGRMNT	1,711.92			604 959 4959	370	1010
	25580	05/01/20 ANNUAL MAINT AGRMNT	285.32			605 963 4963	370	1010
	25580	05/01/20 ANNUAL MAINT AGRMNT	285.32			606 516 4516	370	1010
	25580	05/01/20 ANNUAL MAINT AGRMNT	713.30			609 976 4976	370	1010
	25580	05/01/20 ANNUAL MAINT AGRMNT	285.32*			610 984 4984	370	1010
	25580	05/01/20 SALES TAX	35.32			604 959 4959	370	1010
	25580	05/01/20 SALES TAX	-35.32			604	2025	1010
	25580	05/01/20 D C TRANSIT TAX	2.56			604 959 4959	370	1010
	25580	05/01/20 D C TRANSIT TAX	-2.56			604	2026	1010
	25580	05/01/20 SALES TAX	14.71			609 976 4976	370	1010
	25580	05/01/20 SALES TAX	-14.71			609	2025	1010
	25580	05/01/20 D C TRANSIT TAX	1.07			609 976 4976	370	1010
	25580	05/01/20 D C TRANSIT TAX	-1.07			609	2026	1010
	25580	05/01/20 ANNUAL MAINT AGRMNT	714.00			101	1550	1010
	25580	05/01/20 ANNUAL MAINT AGRMNT	142.80			211	1550	1010
	25580	05/01/20 ANNUAL MAINT AGRMNT	535.50			601	1550	1010
	25580	05/01/20 ANNUAL MAINT AGRMNT	464.10			602	1550	1010
	25580	05/01/20 ANNUAL MAINT AGRMNT	71.40			602	1550	1010
	25580	05/01/20 ANNUAL MAINT AGRMNT	856.80			604	1550	1010
	25580	05/01/20 ANNUAL MAINT AGRMNT	142.80			605	1550	1010
	25580	05/01/20 ANNUAL MAINT AGRMNT	142.80			606	1550	1010
	25580	05/01/20 ANNUAL MAINT AGRMNT	357.00			609	1550	1010
	25580	05/01/20 ANNUAL MAINT AGRMNT	142.80			610	1550	1010
		Total for Vendor:	10,703.00					
34002		4151 BLUE TARP CREDIT SERVICES	29.98					
	72110657	04/28/20 SWIVEL BOLT/AMBER LT	29.98			602 948 4948	220	1010
		Total for Vendor:	29.98					

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34003		5239 BREAKTHRU BEVERAGE MN WINE &	2,317.47					
	1081127730	04/29/20 LIQUOR	1,228.57			609 975 4975	251	1010
	1081127730	04/29/20 WINE	912.00			609 975 4975	251	1010
	1081127730	04/29/20 FREIGHT	29.60			609 975 4975	335	1010
	1081127731	04/29/20 BEER	147.30			609 975 4975	252	1010
		Total for Vendor:	2,317.47					
34004		4820 CHOICE1 HEALTH CARE SERVICES LLC	49.90					
	9993	02/24/20 TEST STRIPS	49.90			101 220 4220	210	1010
		Total for Vendor:	49.90					
34005		5667 CINTAS	113.11					
	4048890694	04/24/20 MATS-L.S.	113.11*			609 979 4979	410	1010
		Total for Vendor:	113.11					
34006		30 CMS OF ROCHESTER	7,086.14					
	20-415	04/30/20 KA BLDG-MILEAGE	284.43			101 240 4240	331	1010
	20-415	04/30/20 KA BLDG-INSPECTION FEES	6,801.71			101 240 4240	444	1010
		Total for Vendor:	7,086.14					
34007		110 DEMCO INC	78.21					
	6794411	04/20/20 BOOK RPR WINGS/BINDER TAPE	78.21			211 550 4550	218	1010
		Total for Vendor:	78.21					
34054		69 DODGE COUNTY ENVIRONMENTAL	880.00					
	98665	04/27/20 STREET SWEEPINGS	880.00			101 323 4323	430	1010
		Total for Vendor:	880.00					
34008		5156 DODGE COUNTY INDEPENDENT/DODGE	225.30					
	9612	04/23/20 2 ADS-CLEAN UP WEEK	74.90			101 111 4111	352	1010
	9644	04/30/20 1 AD-CLEAN UP WEEK	62.40			101 111 4111	352	1010
	9664	04/30/20 SHOPPER AD-CLEAN UP WEEK	88.00			101 111 4111	352	1010
		Total for Vendor:	225.30					

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34055		6130 FRASER CONSTRUCTION CO	58,345.72					
	54251	04/17/20 DEMO OF DUPLEX (FLOOD DAMAGE)	25,000.00*			101 417 4417	430	1010
	54251	04/17/20 DEMO OF 85 E VETS FOR TRAIL	33,345.72			101 680 4522	530	1010
		Total for Vendor:	58,345.72					
34009		5242 GOPHER STATE ONE CALL	268.65					
	0041067	04/30/20 199 LOCATES-APRIL	268.65			604 957 4957	437	1010
		Total for Vendor:	268.65					
34010		77 HAWKINS INC	4,321.53					
	4703317	04/23/20 CHLORINE/LPC-5	3,866.43			601 943 4943	210	1010
	4707703	04/30/20 CHLORINE	455.10			601 943 4943	210	1010
		Total for Vendor:	4,321.53					
34011		5036 HOHENSTEINS INC	177.75					
	200530	04/22/20 BEER	177.75			609 975 4975	252	1010
		Total for Vendor:	177.75					
34012		5064 HOMETOWN HAULERS LLC	1,148.00					
	69734	05/01/20 APRIL GARBAGE-C H	33.56			101 323 4323	430	1010
	69734	05/01/20 APRIL GARBAGE-LIBRARY	57.18			101 323 4323	430	1010
	69734	05/01/20 APRIL GARBAGE-WWTP	152.86*			602 947 4947	430	1010
	69734	05/01/20 APRIL GARBAGE-SHOP	192.77			101 323 4323	430	1010
	69734	05/01/20 APRIL GARBAGE-F D	76.43			101 323 4323	430	1010
	69734	05/01/20 APRIL GARBAGE-L S	53.21			101 323 4323	430	1010
	69734	05/01/20 APRIL GARBAGE-PARKS	444.46			101 323 4323	430	1010
	69734	05/01/20 APRIL GARBAGE-P D	33.39			101 323 4323	430	1010
	69734	05/01/20 APRIL GARBAGE-ARENA	104.14			606 516 4516	430	1010
		Total for Vendor:	1,148.00					
34066		3495 HOWARTH, STEVE	64.99					
	05/02/20	SAFETY BOOT REIMBURSEMENT	64.99			101 920 4920	433	1010
		Total for Vendor:	64.99					

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34013		25 JOHNSON BROTHERS LIQUOR CO	4,060.07					
	1548754	04/28/20 LIQUOR	2,330.72			609 975 4975	251	1010
	1548755	04/28/20 WINE	1,729.35			609 975 4975	251	1010
		Total for Vendor:	4,060.07					
34014		6074 KACZMAREK, LINDSEY	80.00					
	264811	05/01/20 1ST 5 MINUTES COURSE	80.00			101 220 4220	330	1010
		Total for Vendor:	80.00					
34067		35 KASSON HARDWARE HANK	483.94					
	04/30/20	R&M SUPPLIES-STREETS	6.98			101 310 4310	220	1010
	04/30/20	OPER SUPPLIES-P D	14.22			101 210 4210	210	1010
	04/30/20	R&M SUPPLIES-PARKS	82.45			101 522 4522	220	1010
	04/30/20	R&M SUPPLIES-F D	35.94			101 220 4220	220	1010
	04/30/20	SMALL TOOLS-WATER	19.22			601 943 4943	240	1010
	04/30/20	R&M SUPPLIES-ELECTRIC	72.08			604 957 4957	220	1010
	04/30/20	SALES TAX	4.95			604 957 4957	220	1010
	04/30/20	SALES TAX	-4.95			604 2025		1010
	04/30/20	D C TRANSIT TAX	0.36			604 957 4957	220	1010
	04/30/20	D C TRANSIT TAX	-0.36			604 2026		1010
	04/30/20	R&M SUPPLIES-C H	29.99			101 140 4140	220	1010
	04/30/20	R&M SUPPLIES-WWTP OPERATIONS	104.11			602 947 4947	220	1010
	04/30/20	SMALL TOOLS-WWTP OPERATIONS	15.99			602 947 4947	240	1010
	04/30/20	R&M SUPPLIES-STORM WATER	9.99			605 963 4963	220	1010
	04/30/20	SMALL TOOLS-WWTP	46.99			602 948 4948	240	1010
	04/30/20	SMALL TOOLS-STORM WATER	45.98			605 963 4963	240	1010
		Total for Vendor:	483.94					
34015		37 KMTELECOM	3,031.35					
	05/01/20	PHONES-P D	726.57			101 210 4210	321	1010
	05/01/20	FORWARD 3881 TO KW'S HOME	225.00			101 210 4210	400	1010
	05/01/20	PHONES-F D	185.20			101 220 4220	321	1010
	05/01/20	PHONES-C H	615.87			101 140 4140	321	1010
	05/01/20	CITY YELLOW PAGES AD	15.40			101 140 4140	343	1010
	05/01/20	PHONES-P&Z	21.85			101 191 4191	321	1010
	05/01/20	PHONES-EDA	21.86			290 650 4650	321	1010

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	05/01/20	PHONES-K.A.C.	68.34			101 514 4514	321	1010
	05/01/20	PHONES-LIBRARY	139.35			211 550 4550	321	1010
	05/01/20	PHONES-WATER	108.03			601 944 4944	321	1010
	05/01/20	PHONES-WWTP	71.61			602 949 4949	321	1010
	05/01/20	PHONES-WWTP OPERATIONS	127.73			602 947 4947	321	1010
	05/01/20	PHONES-PARK & REC	198.92			101 510 4510	321	1010
	05/01/20	PHONES-STREETS	38.06			101 310 4310	321	1010
	05/01/20	PHONES-SHOP	306.93			604 959 4959	321	1010
	05/01/20	PHONES-L S	170.63			609 976 4976	321	1010
	05/01/20	PHONES-ARENA	-24.05			606 516 4516	321	1010
	05/01/20	ADVERTISING-ARENA	14.05			606 516 4516	343	1010
		Total for Vendor:	3,031.35					
34056		3786 KORTERRA INC	1,200.00					
	20082 05/01/20	TICKET SPLIT SERV THRU 12/31	900.00			604 957 4957	437	1010
	20082 05/01/20	TICKET SPLIT SERV 1/1-4/3/21	300.00			604 1550		1010
		Total for Vendor:	1,200.00					
34016		2689 LOCATORS & SUPPLIES INC	102.94					
	0283763-IN 04/21/20	RED MARKING PAINT	102.94			604 957 4957	220	1010
	0283763-IN 04/21/20	SALES TAX	7.07			604 957 4957	220	1010
	0283763-IN 04/21/20	SALES TAX	-7.07			604 2025		1010
	0283763-IN 04/21/20	D C TRANSIT TAX	0.51			604 957 4957	220	1010
	0283763-IN 04/21/20	D C TRANSIT TAX	-0.51			604 2026		1010
		Total for Vendor:	102.94					
34018		5628 MACQUEEN EMERGENCY GROUP	218.75					
	P03339 04/20/20	RED LENS/HAL BULB/HAL TWIST LK	218.75			101 220 4220	220	1010
		Total for Vendor:	218.75					
34019		5214 MADDEN GALANTER HANSEN, LLP	209.55					
	04/21/20	LABOR RELATIONS-MARCH	209.55*			101 111 4111	440	1010
		Total for Vendor:	209.55					

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34020		3546 MANKE'S OUTDOOR EQT & APPLIANCES	114.86					
	146318	04/27/20 V-BELT	19.99			101 522 4522	220	1010
	146985	05/06/20 PULLEY-60" ZTR MOWER	94.87			101 522 4522	220	1010
		Total for Vendor:	114.86					
34068		714 MB REPAIR	504.72					
	7577	04/29/20 REPL THERMOSTAT-DUMP TRK	504.72			101 310 4310	400	1010
		Total for Vendor:	504.72					
34021		47 MC NEILUS STEEL INC	109.16					
	01497922	04/23/20 SCRAP STEEL/ PIPE	80.00			602 947 4947	220	1010
	01498559	04/24/20 STEEL	29.16			602 947 4947	220	1010
		Total for Vendor:	109.16					
34022		3487 MCFOA-REGION VI	30.00					
		04/25/20 RAPPE-MTG. REGISTRATION	15.00			101 140 4140	333	1010
		04/25/20 NAIG-MTG. REGISTRATION	15.00			101 140 4140	333	1010
		Total for Vendor:	30.00					
34023		2617 MENARDS-ROCHESTER NORTH	74.49					
	62892	04/21/20 24" FORM STAKE/DUPLEX NAIL	74.49			602 948 4948	210	1010
		Total for Vendor:	74.49					
34063		5541 MINNESOTA AG GROUP	12,239.00					
		05/07/20 EXMARK MOWER	12,239.00*			101 680 4310	580	1010
		Total for Vendor:	12,239.00					
34024		2622 NESS, MIKE	23.98					
		03/26/20 NESS-UNIFORM PANTS	23.98			101 310 4310	214	1010
		Total for Vendor:	23.98					
34039		2380 OLSON TREE SERVICES INC	1,460.00					
		2075 05/04/20 REMOVE TREE-207 N MANT AV	780.00			101 524 4524	430	1010
		2076 05/04/20 REMOVE 2 TREES-604 1ST ST NE	680.00			101 524 4524	430	1010
		Total for Vendor:	1,460.00					

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34025		58 PETTY CASH - CLERKS OFFICE	17.90					
	04/30/20	MAILING-BOND REFINANCE	5.55			101 140 4140	325	1010
	04/30/20	MAILING-MDH WATER SAMPLES	4.60			601 944 4944	325	1010
	04/30/20	MAILING-LIQ LIC TO DPS-AGED	7.75			101 140 4140	325	1010
		Total for Vendor:	17.90					
34027		23 PHILLIPS WINE & SPIRITS	4,622.67					
	6028694 04/28/20	LIQUOR	3,757.81			609 975 4975	251	1010
	6028695 04/28/20	WINE	816.86			609 975 4975	251	1010
	6028696 04/28/20	MIXES	48.00			609 975 4975	254	1010
		Total for Vendor:	4,622.67					
34028		3985 PITNEY BOWES INC	376.94					
	1015486271 04/21/20	3 INK CARTRIDGES/EZ SEAL/C	188.49			101 140 4140	210	1010
	1015486271 04/21/20	3 INK CARTRIDGES/EZ SEAL/C	37.69			601 944 4944	210	1010
	1015486271 04/21/20	3 INK CARTRIDGES/EZ SEAL/C	37.69			602 949 4949	210	1010
	1015486271 04/21/20	3 INK CARTRIDGES/EZ SEAL/C	75.38			604 959 4959	210	1010
	1015486271 04/21/20	3 INK CARTRIDGES/EZ SEAL/C	37.69			605 963 4963	210	1010
	1015486271 04/21/20	SALES TAX	5.18			604 959 4959	210	1010
	1015486271 04/21/20	SALES TAX	-5.18			604	2025	1010
	1015486271 04/21/20	D C TRANSIT TAX	0.37			604 959 4959	210	1010
	1015486271 04/21/20	D C TRANSIT TAX	-0.37			604	2026	1010
		Total for Vendor:	376.94					
34069		3936 POMP'S TIRE SERVICE INC	40.00					
	230092863 05/04/20	TIRE REPAIR(SIDEWALL) DUMP	40.00			101 310 4310	400	1010
		Total for Vendor:	40.00					
34029		2005 RESERVE ACCOUNT	500.00					
	22870844-3 04/27/20	POSTAGE METER REFILL	140.00			101 140 4140	325	1010
	22870844-3 04/27/20	POSTAGE METER REFILL	15.00			101 210 4210	325	1010
	22870844-3 04/27/20	POSTAGE METER REFILL	15.00*			101 310 4310	325	1010
	22870844-3 04/27/20	POSTAGE METER REFILL	15.00			101 510 4510	325	1010
	22870844-3 04/27/20	POSTAGE METER REFILL	10.00			211 550 4550	210	1010
	22870844-3 04/27/20	POSTAGE METER REFILL	15.00			290 650 4650	325	1010
	22870844-3 04/27/20	POSTAGE METER REFILL	20.00			601 944 4944	325	1010

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	22870844-3	04/27/20 POSTAGE METER REFILL	20.00			602 949 4949	325	1010
	22870844-3	04/27/20 POSTAGE METER REFILL	100.00			604 959 4959	325	1010
	22870844-3	04/27/20 POSTAGE METER REFILL	15.00			605 963 4963	325	1010
	22870844-3	04/27/20 POSTAGE METER REFILL	10.00			606 516 4516	210	1010
	22870844-3	04/27/20 POSTAGE METER REFILL	100.00			609 976 4976	210	1010
	22870844-3	04/27/20 POSTAGE METER REFILL	10.00			610 984 4984	210	1010
	22870844-3	04/27/20 POSTAGE METER REFILL	15.00*			877 100 4000	430	1010
		Total for Vendor:	500.00					
34030		5885 ROCHESTER PLUMBING & HEATING	903.00					
	113822	04/30/20 JET RESTROOM LINES-LIBRARY	903.00			211 550 4550	400	1010
		Total for Vendor:	903.00					
34032		5000 RUNNELLS, GERALD	91.96					
	03/14/20	DOG FOOD-HAWK	91.96			101 210 4210	210	1010
		Total for Vendor:	91.96					
34034		6124 SAAFE. LLC	2,359.00					
	#28 04/29/20	4 ROW BLEACHER	2,359.00			101 517 4517	240	1010
		Total for Vendor:	2,359.00					
34036		4663 SE MINNESOTA EMS	400.00					
	12534 04/20/20	CONSORTIUM MEMBERSHIP TO 12/31	200.00			101 220 4220	334	1010
	12534 04/20/20	CONSORTIUM MEMBERSHIP TO 6/30/	200.00			101 1550		1010
		Total for Vendor:	400.00					
34035		64 SELCO	1,449.34					
	047733 05/04/20	MAY AUTOMATION & PC SUPPORT	1,449.34			211 550 4550	309	1010
		Total for Vendor:	1,449.34					
34049		6128 SILVA, JOSUE	49.73					
	1372-13 04/27/20	RL MTR DEP REFUND AFT APPL TO	49.73			604 2212		1010
		Total for Vendor:	49.73					

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34037		3850 SOUTHERN GLAZER'S OF MN	5,120.86					
	1947896	04/29/20 LIQUOR	2,439.37			609 975 4975	251	1010
	1947896	04/29/20 FREIGHT	26.35			609 975 4975	335	1010
	1947897	04/29/20 LIQUOR	2,484.59			609 975 4975	251	1010
	1947897	04/29/20 WINE	138.00			609 975 4975	251	1010
	1947897	04/29/20 FREIGHT	32.55			609 975 4975	335	1010
		Total for Vendor:	5,120.86					
34040		5708 STAPLES BUSINESS CREDIT	87.97					
	7307193326	04/24/20 BINDER CLIPS/ENVELOPES	64.68			101 140 4140	210	1010
	7307193326	04/24/20 LAM POUCH	23.29			101 510 4510	210	1010
		Total for Vendor:	87.97					
34070		153 STUSSY CONSTRUCTION INC	391.59					
	45373	04/30/20 3/4" ROAD ROCK	391.59			601 943 4943	220	1010
		Total for Vendor:	391.59					
34060		498 TEIGEN PAPER & SUPPLY INC	95.64					
	95597	03/03/20 FOLD TOWELS/SOAP/NIT GLVS	7.76			101 310 4310	210	1010
	95597	03/03/20 FOLD TOWELS/SOAP/NIT GLVS	7.76			101 312 4312	210	1010
	95597	03/03/20 FOLD TOWELS/SOAP/NIT GLVS	7.77			101 517 4517	210	1010
	95597	03/03/20 FOLD TOWELS/SOAP/NIT GLVS	7.77			601 943 4943	210	1010
	95597	03/03/20 FOLD TOWELS/SOAP/NIT GLVS	7.77			602 948 4948	210	1010
	95597	03/03/20 FOLD TOWELS/SOAP/NIT GLVS	7.77			604 957 4957	210	1010
	95597	03/03/20 FOLD TOWELS/SOAP/NIT GLVS	7.77			605 963 4963	210	1010
	95597	03/03/20 SALES TAX	0.53			604 957 4957	210	1010
	95597	03/03/20 SALES TAX	-0.53			604 2025		1010
	95597	03/03/20 D C TRANSIT TAX	0.03			604 957 4957	210	1010
	95597	03/03/20 D C TRANSIT TAX	-0.03			604 2026		1010
	95597	03/03/20 ROLL TOWELS	9.70			101 310 4310	220	1010
	95597	03/03/20 ROLL TOWELS	9.69			101 312 4312	220	1010
	95597	03/03/20 ROLL TOWELS	9.69			101 517 4517	220	1010
	95597	03/03/20 ROLL TOWELS	9.69			601 943 4943	220	1010
	95597	03/03/20 ROLL TOWELS	9.69			602 948 4948	220	1010
	95597	03/03/20 ROLL TOWELS	9.69			604 957 4957	220	1010
	95597	03/03/20 ROLL TOWELS	9.69			605 963 4963	220	1010

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	95597	03/03/20 SALES TAX	0.66			604 957 4957	220	1010
	95597	03/03/20 SALES TAX	-0.66			604	2025	1010
	95597	03/03/20 D C TRANSIT TAX	0.04			604 957 4957	220	1010
	95597	03/03/20 D C TRANSIT TAX	-0.04			604	2026	1010
	95956	03/06/20 SOFT SCRUB	7.26			211 550 4550	220	1010
	99468	03/27/20 SOFT SCRUB	7.26			211 550 4550	220	1010
	9796	01/28/20 cr-RETURN LINER HD 33X39	-41.09			211 550 4550	220	1010
		Total for Vendor:	95.64					
34057		5834 THOMSON REUTERS - WEST	123.60					
	842288529	05/01/20 INVESTIGATIVE SUITE-APRIL	123.60			101 210 4210	440	1010
		Total for Vendor:	123.60					
34041		123 THRONDSOIL OIL & LP GAS CO	2,347.25					
	362348	04/28/20 P. DIESEL-PARKS	656.00			101 517 4517	210	1010
	362349	04/28/20 P. DIESEL	676.51			101 310 4310	210	1010
	362349	04/28/20 P. DIESEL	676.50			101 312 4312	210	1010
	362349	04/28/20 P. DIESEL	84.56			601 943 4943	210	1010
	362349	04/28/20 P. DIESEL	84.56			602 948 4948	210	1010
	362349	04/28/20 P. DIESEL	84.56			604 957 4957	210	1010
	362349	04/28/20 P. DIESEL	84.56			605 963 4963	210	1010
	362349	04/28/20 SALES TAX	5.81			604 957 4957	210	1010
	362349	04/28/20 SALES TAX	-5.81			604	2025	1010
	362349	04/28/20 D C TRANSIT TAX	0.42			604 957 4957	210	1010
	362349	04/28/20 D C TRANSIT TAX	-0.42			604	2026	1010
		Total for Vendor:	2,347.25					
34042		939 USA BLUEBOOK	71.61					
	220657	04/28/20 PVC/VITON PUMP	71.61			601 943 4943	210	1010
		Total for Vendor:	71.61					
34043		71 UTILITY CONSULTANTS INC	1,974.49					
	104967	04/29/20 MANTORVILLE TESTING	190.87			602 947 4947	440	1010
	104975	04/29/20 TOTAL COLIFORM	105.00			601 943 4943	440	1010
	104975	04/29/20 CBOD/TSS/FEC COLIF/TOT PHOSPH	1,678.62			602 947 4947	440	1010
		Total for Vendor:	1,974.49					

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34071		3382 VERIZON WIRELESS	1,667.79					
	9852934398	04/20/20 CELL PHONES-P D	878.09			101 210 4210	321	1010
	9852934398	04/20/20 CELL PHONES-STREETS	87.36			101 310 4310	321	1010
	9852934398	04/20/20 CELL PHONES-PARKS	133.82			101 510 4510	321	1010
	9852934398	04/20/20 CELL PHONES-WATER	56.58			601 944 4944	321	1010
	9852934398	04/20/20 CELL PHONES-WW	69.98			602 949 4949	321	1010
	9852934398	04/20/20 CELL PHONES-WW PLANT	69.99			602 947 4947	321	1010
	9852934398	04/20/20 CELL PHONE-P.W. DIRECTOR	48.51			604 959 4959	321	1010
	9852934398	04/20/20 CELL PHONES-ELECTRIC	267.03			604 959 4959	321	1010
	9852934398	04/20/20 CELL PHONE-ARENA	56.43			606 516 4516	321	1010
		Total for Vendor:	1,667.79					
34044		4466 VINOCOPIA INC	410.00					
	0255643IN	04/23/20 WINE	410.00			609 975 4975	251	1010
		Total for Vendor:	410.00					
34045		637 WEBER, LETH & WOESSNER PLC	4,737.00					
	MAR '20	04/01/20 .4 HR LEGAL-'17 STR ASSMNT PR	58.00*			423 311 4311	430 41602	1010
	MAR '20	04/01/20 9.3 HRS LEGAL-CITY ADMINISTRA	1,275.00			101 160 4160	304	1010
	MAR '20	04/01/20 .2 HR LEGAL-P&Z-WILKER	29.00			101 191 4191	304	1010
	MAR '20	04/01/20 4.7 HRS LEGAL-P&Z	625.50			101 191 4191	304	1010
	MAR '20	04/01/20 2.1 HRS LEGAL-P&Z-KWIK TRIP	304.50			101 191 4191	304	1010
	MAR '20	04/01/20 2.0 HRS LEGAL-P&Z-BLAINES 14T	290.00			101 191 4191	304	1010
	MAR '20	04/01/20 .8 HR LEGAL-P&Z-KASEL	112.50			101 191 4191	304	1010
	MAR '20	04/01/20 COPY OF EASEMENT-KASEL	5.00			101 191 4191	304	1010
	MAR '20	04/01/20 5.1 HRS LEGAL-CITY COUNCIL	732.50			101 111 4111	304	1010
	MAR '20	04/01/20 7.6 HRS LEGAL-SHOPKO SALE	1,102.00*			249 650 4650	430	1010
	MAR '20	04/01/20 .3 HR LEGAL-SUMP PUMP INSPECT	43.50*			605 963 4963	304	1010
	MAR '20	04/01/20 .6 HR LEGAL-POLICE	87.00*			101 210 4210	304	1010
	MAR '20	04/01/20 .5 HR LEGAL-ENGINEERING	72.50			101 160 4160	304	1010
		Total for Vendor:	4,737.00					
34046		5182 WHKS & CO.	33,620.00					
	41069	04/20/20 SAFE ROUTES TO SCHOOL	1,560.00*			425 196 4196	303	1010
	41068	04/20/20 HWY 57 IMPROVEMENTS	30,500.00*			424 196 4196	303	1010
	41067	04/20/20 16 ST NE IMPROVEMENTS	1,560.00*			412 196 4196	303	1010
		Total for Vendor:	33,620.00					

05/08/20
14:29:37

CITY OF KASSON
Claim Approval List
For the Accounting Period: 5/20
For Pay Date: 05/14/20

Page: 13 of 15
Report ID: AP100V

For Pay Date = 05/14/20

* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
34047		2407 WINE MERCHANTS	1,056.00					
	7282453	04/28/20 WINE	1,056.00			609 975 4975	251	1010
		Total for Vendor:	1,056.00					
		# of Claims	61	Total:				173,797.20

CITY OF KASSON
Fund Summary for Claims
For the Accounting Period: 5/20

Fund/Account	Amount
101 General Fund	
1010 CASH-OPERATING	\$97,182.77
211 Library Fund	
1010 CASH-OPERATING	\$2,981.45
249 OPPIDAN/FOLKESTAD TIF	
1010 CASH-OPERATING	\$1,102.00
290 Economic Development	
1010 CASH-OPERATING	\$36.86
412 16th Street NE	
1010 CASH-OPERATING	\$1,560.00
423 3rd,4th 5th Av 2017 Street Assessment	
1010 CASH-OPERATING	\$58.00
424 Hwy 57	
1010 CASH-OPERATING	\$30,500.00
425 SRTS	
1010 CASH-OPERATING	\$1,560.00
601 Water Fund	
1010 CASH-OPERATING	\$6,843.32
602 Sewer Fund	
1010 CASH-OPERATING	\$4,963.89
604 Electric Fund	
1010 CASH-OPERATING	\$5,296.31
605 Storm Water	
1010 CASH-OPERATING	\$682.30
606 ICE ARENA	
1010 CASH-OPERATING	\$588.69
609 Liquor Fund	
1010 CASH-OPERATING	\$19,988.49
610 Maple Grove Cemetery	
1010 CASH-OPERATING	\$438.12
877 Festival in Park Fund	
1010 CASH-OPERATING	\$15.00
Total:	\$173,797.20

05/08/20
14:29:37

CITY OF KASSON
Claim Approval Signature Page
For the Accounting Period: 5 / 20

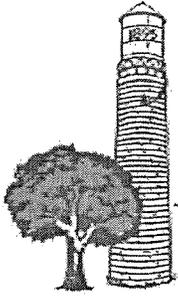
Page: 15 of 15
Report ID: AP100A

CITY OF KASSON
401 5TH STREET SE
KASSON. MN 55944-2204

The claim batch dated _____ are approved for payment.

APPROVED _____ Council Member

_____ Council Member



TREE
CITY
USA

CITY OF KASSON

401 FIFTH STREET SE
KASSON, MINNESOTA 55944-2204
PHONE: (507) 634-7071
FAX: (507) 634-4757

MEMO

To: Economic Development Authority Board

From: Nicholas Ouellette, EDA Staff

Date: April 30th, 2020

Re: Short-Term Business Interruption Loan Program

City Council established the Short-Term Business Interruption Loan (STBIL) Program to provide cash-flow assistance to businesses awaiting relief funds from State and Federal relief programs such as SBA's Paycheck Protection Program, Economic Injury Disaster Loan Program, or DEED's Small Business Emergency Loan Program. The EDA has received two applications for the Short-Term Business Interruption Loan Program, with one application ready for approval from the EDA Board.

Gadient Hospitality Group, Inc.

- Loan Request - \$5,000

Gadient Hospitality Group submitted a STBIL application requesting a loan of \$5,000 to assist with vendor payments. Gadient Hospitality Group, Inc. has applied for assistance through the SBA Paycheck Protection Program. The STBIL Loan Review Committee has reviewed their February Profit/Loss Report, & Credit Score and has recommend the EDA Board approve the loan request. Included in this Packet are the following loan documents:

- STBIL Application
 - Security Agreement
 - Promissory Note
 - UCC Financing Statement
-

Daisy Mae Consignment

- Loan Request - \$5,000
- Recommended Loan Amount - \$2,400

Daisy Mae Consignment submitted a STBIL application requesting a loan of \$5,000 to assist with rent and other fixed costs. Daisy Mae Consignment has applied for assistance through the

SBA Economic Injury Disaster Loan Program. The STBIL Loan Review Committee has reviewed their March Profit/Loss Report, & Credit Score and has recommend the EDA Board approve the loan request for an amount of \$2,400. Included in this Packet are the following loan documents:

- STBIL Application
- Security Agreement
- Promissory Note
- UCC Financing Statement

Action Requested:

It is requested the EDA Board approved the Short-Term Business Interruption Loan request from Daisy Mae Consignment for \$2,400.

Future Loan Processing

In order to efficiently process STBIL applications as we receive them, it is recommended the EDA Board delegate loan approval powers to the STBIL Loan Review Committee. This will enable the Loan Review Committee to process and approve STBIL applications and provide requested funds to businesses in an effective, timely manner. Approved loans will be presented to the EDA Board at each monthly meeting.

Action Requested:

It is requested the EDA Board delegate the power to approve loans through the Short-Term Business Interruption Loan Program.

SHORT-TERM BUSINESS INTERRUPTION LOAN PROGRAM
APPLICATION

City of Kasson Economic Development Authority

Please review the Short-Term Business Interruption Loan (STBIL) Program Guidelines & Policies before filling and submitting this application.

Business Legal Name	Gradient Hospitality Group, Inc.		
Business Contact Name/Title	Danielle Schmitz / President		
Phone:	507 634 7775	Alt. Phone:	507 398 6285
Email:	danielleschmitz@gmail.com		
Street Address:	504 S. Mantoville Ave		
City:	Kasson	Zip Code:	55944
Mailing Address (if different):			
Years in Operation in Kasson:	43	Business Structure:	Restaurant
Full-Time Employees:	5	Part-Time Employees:	27

Relief/Assistance Program Applied To (SBA/DEED/etc):	PPP	Date Applied:	4/13/20
Briefly Describe Impact of COVID-19 on Business:	forced closure 3/17/20. Not able to operate support take-out business only.		

Business Fixed Costs for February:	\$46,431.13
Loan Amount Requested (up to \$5,000):	\$ 5,000.00
Purpose for STBIL Funds:	pay vendors money due.
Collateral Coverage:	
Additional Notes:	

REQUIRED ATTACHMENTS:

1. Copy of Primary Relief/Assistance Program Application (SBA, DEED, etc.)
2. Copy of February Fixed Costs (Utility Bills, Payroll Spreadsheets, etc.)

By signing, I certify the information on and attached to this application is true.

Name of Applicant: Danielle Schmitz Title: President
Signature: [Handwritten Signature] Date: 4/17/2020

Please submit your application to Kasson City Hall (401 5th Street SE)
or nicholas.ouellette@cedausa.com

SECURITY AGREEMENT
Kasson Economic Development Authority

Date: 4/27/2020

DEBTOR	Gadient Hospitality Group, Ltd.	SECURED PARTY	Kasson Economic Development Authority
BUSINESS OR RESIDENCE ADDRESS	504 S. Mantorville Ave	ADDRESS	401 5 th Street SE
CITY, STATE, & ZIP CODE	Kasson, MN 55944	CITY, STATE, & ZIP CODE	Kasson, MN 55944

1. **Security Interest and Collateral.** To secure (check one below) the payment and performance of each and every debt, liability and obligation of every type and description which Debtor may now or at any time hereafter owe to Secured Party (whether such debt, liability or obligation now exist or is hereafter created or incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several or joint and several; all such debts, liabilities and obligation of the Debtor to Secured Party evidenced by the following: Promissory Note between the City of Kasson and Gadient Hospitality Group, Ltd. dated 4/27/2020, and any extensions, renewals, or replacements thereof (herein referred to as the "Obligations"), Debtor hereby grants Secured Party a security interest (herein called the "Security Interest") in the following property (herein called the "Collateral")(check applicable boxes and complete information):

(a) INVENTORY:

All inventory of Debtor, whether now owned or hereafter acquired and wherever located;

(b) EQUIPMENT OR CONSUMER GOODS:

All equipment of Debtor, whether now owned or hereafter acquired, including but not limited to all present and future machinery, vehicles, furniture, fixtures, manufacturing equipment, farm machinery and equipment, shop equipment, office and recordkeeping equipment, parts and tools, and the good described in any equipment schedule or list herewith or hereafter furnished to Secured Party by Debtor (but no such schedule or list need be furnished in order for the security interest granted herein to be valid as to all of Debtor's equipment).

The following goods or types of goods:

(c) ACCOUNTS AND OTHER RIGHTS TO PAYMENT:

- Each and every right of Debtor to the payment of money, whether such right to payment now exist or hereafter arises, whether such right to payment arises out of a sale, lease, or other disposition of goods or other property by Debtor, out of a rendering of services by Debtor, out of loan by Debtor, out of the overpayment of taxes of other liabilities of Debtor, or otherwise arises under any contract or agreement, whether such right to payment is or is not already earned by performance, and however such right to payment may be evidence, together with all other rights and interest (including all liens and security interests) which Debtor may at any time have by law or agreement against any account debtor or other obligor obligated to make any such payment or against any of the property of such account debtor obligated to make any such payment or against any of the property of such account debtor including but not limited to all present and future debt instruments, chattel papers, accounts, loans and obligation receivable and tax refunds.
-

(d) GENERAL TANGIBLES:

- All general intangibles of Debtor, whether now owned or hereafter acquired, including, but not names, customer lists, permits and franchises, and the right of use Debtor's name, together with all substitutions and replacements for and products of any foregoing property not constituting consumer goods and together with proceeds of any and all of the foregoing property and, in the case of all tangible Collateral, together with all accessions and, except in the case of consumer goods, together with: (i) all accessories, attachments, parts, equipment and repairs now or hereafter attached or affixed to or used in connection with any such goods, and (ii) all warehouse receipts, bills of lading and other documents of title now or hereafter covering such goods.

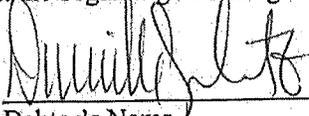
2. **Representatives, Warranties, and Agreements.** Debtor represents, warrants, and agrees that:

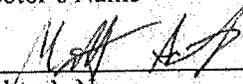
- (a) Debtor is an individual, a partnership, or a corporation and, if Debtor is an individual, the Debtor's residence is at the address of Debtor show at the beginning of this Agreement.
- (b) The Collateral will be used primarily for personal, family or household purposes; business purposes.
- (c) If any part or all of the tangible Collateral will become so related to particular real estate as to become a fixture, the real estate concerned is: _____
-

_____ and the name of the record owner is: _____

(d) Debtors Chief Executive office is located at _____ or, if left blank, at the address of Debtor shown at the beginning of this agreement.

Kasson Economic Development Authority
Secured Party's Name


Debtor's Name


Debtor's Name

By _____
Kasson EDA President
Title _____

By _____
Title _____

By _____
Kasson City Administrator
Title _____

By _____
Title _____

**SHORT-TERM BUSINESS INTERRUPTION LOAN PROGRAM
KASSON ECONOMIC DEVELOPMENT AUTHORITY**

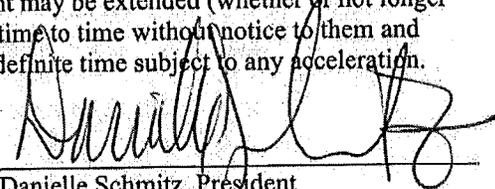
**PROMISSORY NOTE
GADIENT HOSPITALITY GROUP, LLC**

DATED: May 1st, 2020

The below signed, Gadiant Hospitality Group, LLC., a Minnesota corporation, promises to pay to the order of the City of Kasson Economic Development Authority, the sum of Five Thousand and no/00 Dollars (\$5,000).

Payments shall be made as follows: \$100.00 beginning on November 9th, 2020, and \$100.00 shall be due and payable on the first day of each and every month thereafter until February 1st, 2025. This Note shall bear interest at the rate of Zero percent (0%) per annum.

The maker, endorser, and guarantor hereof agrees to pay all costs of collection, including reasonable attorney fees and legal expenses, in case payment shall not be made at maturity, waives presentment for payment, notice of non-payment, protest and notice of protest and diligence in enforcing payment or bringing suite against any party hereto. The endorser, surety, and guarantor hereof consent that the time of payment may be extended (whether or not longer than the original period), or this note renewed, from time to time without notice to them and without affecting their liability hereon. Payable at a definite time subject to any acceleration.


Danielle Schmitz, President

4/27/2020
Date

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

Print

Reset

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of Item 1 blank, check here and provide the Individual Debtor Information in Item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME
Gadient Hospitality Group, Inc.

OR

1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
--------------------------	---------------------	-------------------------------	--------

1c. MAILING ADDRESS

504 South Mantorville Avenue	CITY Kasson	STATE MN	POSTAL CODE 55944	COUNTRY USA
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2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of Item 2 blank, check here and provide the Individual Debtor Information in Item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
--------------------------	---------------------	-------------------------------	--------

2c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
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3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME
City of Kasson

OR

3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
--------------------------	---------------------	-------------------------------	--------

3c. MAILING ADDRESS

401 5th Street SouthEast	CITY Kasson	STATE MN	POSTAL CODE 55944	COUNTRY USA
---------------------------------	-----------------------	--------------------	-----------------------------	-----------------------

4. COLLATERAL: This financing statement covers the following collateral:

All equipment of Debtor, whether now owned or hereafter acquired, including but not limited to all present and future machinery, vehicles, furniture, fixtures, manufacturing equipment, farm machinery and equipment, shop equipment, office and recordkeeping equipment, parts and tools, and the goods described in any equipment schedule or list herewith or hereafter furnished to Secured Party by Debtor.

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, Item 17 and Instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:

Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA:
City of Kasson Economic Development Authority Short-Term Business Interruption Loan

Instructions for UCC Financing Statement (Form UCC1)

Please type or laser-print this form. Be sure it is completely legible. Read and follow all Instructions, especially Instruction 1; use of the correct name for the Debtor is crucial.

Fill in form very carefully; mistakes may have important legal consequences. If you have questions, consult your attorney. The filing office cannot give legal advice.

Send completed form and any attachments to the filing office, with the required fee.

ITEM INSTRUCTIONS

A and B. To assist filing offices that might wish to communicate with filer, filer may provide information in item A and item B. These items are optional.

C. Complete item C if filer desires an acknowledgment sent to them. If filing in a filing office that returns an acknowledgment copy furnished by filer, present simultaneously with this form the Acknowledgment Copy or a carbon or other copy of this form for use as an acknowledgment copy.

1. **Debtor's name.** Carefully review applicable statutory guidance about providing the debtor's name. Enter only one Debtor name in item 1 -- either an organization's name (1a) or an individual's name (1b). If any part of the Individual Debtor's name will not fit in line 1b, check the box in item 1, leave all of item 1 blank, check the box in item 9 of the Financing Statement Addendum (Form UCC1Ad) and enter the Individual Debtor name in item 10 of the Financing Statement Addendum (Form UCC1Ad). Enter Debtor's correct name. Do not abbreviate words that are not already abbreviated in the Debtor's name. If a portion of the Debtor's name consists of only an initial or an abbreviation rather than a full word, enter only the abbreviation or the initial. If the collateral is held in a trust and the Debtor name is the name of the trust, enter trust name in the Organization's Name box in item 1a.

1a. **Organization Debtor Name.** "Organization Name" means the name of an entity that is not a natural person. A sole proprietorship is **not** an organization, even if the individual proprietor does business under a trade name. If Debtor is a registered organization (e.g., corporation, limited partnership, limited liability company), it is advisable to examine Debtor's current filed public organic records to determine Debtor's correct name. Trade name is insufficient. If a corporate ending (e.g., corporation, limited partnership, limited liability company) is part of the Debtor's name, it must be included. Do not use words that are not part of the Debtor's name.

1b. **Individual Debtor Name.** "Individual Name" means the name of a natural person; this includes the name of an individual doing business as a sole proprietorship, whether or not operating under a trade name. The term includes the name of a decedent where collateral is being administered by a personal representative of the decedent. The term does not include the name of an entity, even if it contains, as part of the entity's name, the name of an individual. Prefixes (e.g., Mr., Mrs., Ms.) and titles (e.g., M.D.) are generally not part of an individual name. Indications of lineage (e.g., Jr., Sr., III) generally are not part of the individual's name, but may be entered in the Suffix box. Enter individual Debtor's surname (family name) in Individual's Surname box, first personal name in First Personal Name box, and all additional names in Additional Name(s)/Initial(s) box.

If a Debtor's name consists of only a single word, enter that word in Individual's Surname box and leave other boxes blank.

For both organization and individual Debtors. Do not use Debtor's trade name, DBA, AKA, FKA, division name, etc. in place of or combined with Debtor's correct name; filer may add such other names as additional Debtors if desired (but this is neither required nor recommended).

1c. Enter a mailing address for the Debtor named in item 1a or 1b.

2. **Additional Debtor's name.** If an additional Debtor is included, complete item 2, determined and formatted per Instruction 1. For additional Debtors, attach either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP) and follow Instruction 1 for determining and formatting additional names.

3. **Secured Party's name.** Enter name and mailing address for Secured Party or Assignee who will be the Secured Party of record. For additional Secured Parties, attach either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP). If there has been a full assignment of the Initial Secured Party's right to be Secured Party of record before filing this form, either (1) enter Assignor Secured Party's name and mailing address in item 3 of this form and file an Amendment (Form UCC3) [see item 5 of that form]; or (2) enter Assignee's name and mailing address in item 3 of this form and, if desired, also attach Addendum (Form UCC1Ad) giving Assignor Secured Party's name and mailing address in item 11.

4. **Collateral.** Use item 4 to indicate the collateral covered by this financing statement. If space in item 4 is insufficient, continue the collateral description in item 12 of the Addendum (Form UCC1Ad) or attach additional page(s) and incorporate by reference in item 12 (e.g., See Exhibit A). Do not include social security numbers or other personally identifiable information.

Note: If this financing statement covers timber to be cut, covers as-extracted collateral, and/or is filed as a fixture filing, attach Addendum (Form UCC1Ad) and complete the required information in items 13, 14, 15, and 16.

5. If collateral is held in a trust or being administered by a decedent's personal representative, check the appropriate box in item 5. If more than one Debtor has an interest in the described collateral and the check box does not apply to the interest of all Debtors, the filer should consider filing a separate Financing Statement (Form UCC1) for each Debtor.

6a. If this financing statement relates to a Public-Finance Transaction, Manufactured-Home Transaction, or a Debtor is a Transmitting Utility, check the appropriate box in item 6a. If a Debtor is a Transmitting Utility and the initial financing statement is filed in connection with a Public-Finance Transaction or Manufactured-Home Transaction, check only that a Debtor is a Transmitting Utility.

6b. If this is an Agricultural Lien (as defined in applicable state's enactment of the Uniform Commercial Code) or if this is not a UCC security interest filing (e.g., a tax lien, judgment lien, etc.), check the appropriate box in item 6b and attach any other items required under other law.

7. **Alternative Designation.** If filer desires (at filer's option) to use the designations lessee and lessor, consignee and consignor, seller and buyer (such as in the case of the sale of a payment intangible, promissory note, account or chattel paper), bailee and bailor, or licensee and licensor instead of Debtor and Secured Party, check the appropriate box in item 7.

8. **Optional Filer Reference Data.** This item is optional and is for filer's use only. For filer's convenience of reference, filer may enter in item 8 any identifying information that filer may find useful. Do not include social security numbers or other personally identifiable information.

SHORT-TERM BUSINESS INTERRUPTION LOAN PROGRAM

APPLICATION

City of Kasson Economic Development Authority

Please review the Short-Term Business Interruption Loan (STBIL) Program Guidelines & Policies before filling and submitting this application.

Business Legal Name	DAISY MAE CONSIGNMENTS		
Business Contact Name/Title	KIM RUDLONG - OWNER		
Phone: 567-273-4537		Alt. Phone:	
Email: DAISYMAE.DIO2@icloud.com			
Street Address:	301 5th St SE,		
City: KASSON	Zip Code:	MN 55944	
Mailing Address (if different):	502 2ND AVE SW, KASSON, MN 55944		
Years in Operation in Kasson:	8	Business Structure:	
Full-Time Employees:	0	Part-Time Employees:	0

Relief/Assistance Program Applied To (SBA/DEED/etc):	SBA	Date Applied:	3-30-2020
Briefly Describe Impact of COVID-19 on Business:	CLOSED AS NON-ESSENTIAL - still need to pay rent.		

Business Fixed Costs for February:	\$ 750.00 rent 38.32 phone
Loan Amount Requested (up to \$5,000):	\$ 5,000.00
Purpose for STBIL Funds:	pay rent, phone til can reopen
Collateral Coverage:	inventory
Additional Notes:	

REQUIRED ATTACHMENTS:

1. Copy of Primary Relief/Assistance Program Application (SBA, DEED, etc.)
2. Copy of February Fixed Costs (Utility Bills, Payroll Spreadsheets, etc.)

By signing, I certify the information on and attached to this application is true.

Name of Applicant: Kimberly Rudlong Title: OWNER

Signature: Kimberly Rudlong Date: 4-17-2020

Kimberly Rudlong

Please submit your application to Kasson City Hall (401 5th Street SE)
or nicholas.ouellette@cedausa.com

SECURITY AGREEMENT
Kasson Economic Development Authority

Date: 5-1-2020

DEBTOR	Daisy Mae Consignments, Kim Rudlong	SECURED PARTY	Kasson Economic Development Authority
BUSINESS OR RESIDENCE ADDRESS		ADDRESS	401 5 th Street SE
CITY, STATE, & ZIP CODE		CITY, STATE, & ZIP CODE	Kasson, MN 55944

1. **Security Interest and Collateral.** To secure (check one below) the payment and performance of each and every debt, liability and obligation of every type and description which Debtor may now or at any time hereafter owe to Secured Party (whether such debt, liability or obligation now exist or is hereafter created or incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several or joint and several; all such debts, liabilities and obligation of the Debtor to Secured Party evidenced by the following: Promissory Note between the City of Kasson and Daisy Mae Consignments dated _____, and any extensions, renewals, or replacements thereof (herein referred to as the "Obligations"), Debtor hereby grants Secured Party a security interest (herein called the "Security Interest") in the following property (herein called the "Collateral")(check applicable boxes and complete information):

(a) INVENTORY:

All inventory of Debtor, whether now owned or hereafter acquired and wherever located;

(b) EQUIPMENT OR CONSUMER GOODS:

All equipment of Debtor, whether now owned or hereafter acquired, including but not limited to all present and future machinery, vehicles, furniture, fixtures, manufacturing equipment, farm machinery and equipment, shop equipment, office and recordkeeping equipment, parts and tools, and the good described in any equipment schedule or list herewith or hereafter furnished to Secured Party by Debtor (but no such schedule or list need be furnished in order for the security interest granted herein to be valid as to all of Debtor's equipment).

The following goods or types of goods:

(c) ACCOUNTS AND OTHER RIGHTS TO PAYMENT:

- Each and every right of Debtor to the payment of money, whether such right to payment now exist or hereafter arises, whether such right to payment arises out of a sale, lease, or other disposition of goods or other property by Debtor, out of a rendering of services by Debtor, out of loan by Debtor, out of the overpayment of taxes of other liabilities of Debtor, or otherwise arises under any contract or agreement, whether such right to payment is or is not already earned by performance, and however such right to payment may be evidence, together with all other rights and interest (including all liens and security interests) which Debtor may at any time have by law or agreement against any account debtor or other obligor obligated to make any such payment or against payment or against any of the property of such account debtor including but not limited to all present and future debt instruments, chattel papers, accounts, loans and obligation receivable and tax refunds.
-

(d) GENERAL TANGIBLES:

- All general intangibles of Debtor, whether now owned or hereafter acquired, including, but not names, customer lists, permits and franchises, and the right of use Debtor's name, together with all substitutions and replacements for and products of any foregoing property not constituting consumer goods and together with proceeds of any and all of the foregoing property and, in the case of all tangible Collateral, together with all accessions and, except in the case of consumer goods, together with: (i) all accessories, attachments, parts, equipment and repairs now or hereafter attached or affixed to or used in connection with any such goods, and (ii) all warehouse receipts, bills of lading and other documents of title now or hereafter covering such goods.

2. **Representatives, Warranties, and Agreements.** Debtor represents, warrants, and agrees that:

- (a) Debtor is an individual, a partnership, or a corporation and, if Debtor is an individual, the Debtor's residence is at the address of Debtor show at the beginning of this Agreement.
- (b) The Collateral will be used primarily for personal, family or household purposes; business purposes.
- (c) If any part or all of the tangible Collateral will become so related to particular real estate as to become a fixture, the real estate concerned is: _____

and the name of the record owner is: _____

(d) Debtors Chief Executive office is located at 301 5th St. SE KASSON, MN 55944
or, if left blank, at the address of Debtor shown at the beginning of this agreement.

Kasson Economic Development Authority
Secured Party's Name

Kim Rudlong
Debtor's Name

By
Kasson EDA President
Title

Debtor's Name
Kim Rudlong
By
OWNER
Title

By
Kasson City Administrator
Title

By

Title

**SHORT-TERM BUSINESS INTERRUPTION LOAN PROGRAM
KASSON ECONOMIC DEVELOPMENT AUTHORITY**

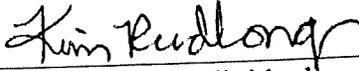
**PROMISSORY NOTE
DAISY MAE CONSIGNMENT**

DATED: May 1st, 2020

The below signed, Kim Rudlong, a Minnesota corporation, promises to pay to the order of the City of Kasson Economic Development Authority, the sum of Two Thousand Four Hundred no/00 Dollars (\$2,400).

Payments shall be made as follows: \$100.00 beginning on December 1st, 2020, and \$100.00 shall be due and payable on the first day of each and every month thereafter until December 1st, 2022. This Note shall bear interest at the rate of Zero percent (0%) per annum.

The maker, endorser, and guarantor hereof agrees to pay all costs of collection, including reasonable attorney fees and legal expenses, in case payment shall not be made at maturity, waives presentment for payment, notice of non-payment, protest and notice of protest and diligence in enforcing payment or bringing suite against any party hereto. The endorser, surety, and guarantor hereof consent that the time of payment may be extended (whether or not longer than the original period), or this note renewed, from time to time without notice to them and without affecting their liability hereon. Payable at a definite time subject to any acceleration.



Kim Rudlong, Individually

5-1-2020

Date

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)
<div style="border: 1px solid black; width: 100%; height: 100%; background-color: #cccccc;"></div>

Print

Reset

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of Item 1 blank, check here and provide the Individual Debtor Information in Item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME Daisy Mae Consignments				
OR	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
301 5th Street SE	Kasson	MN	55944	USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of Item 2 blank, check here and provide the Individual Debtor Information in Item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME City of Kasson				
OR	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
401 5th Street SE	Kasson	MN	55944	USA

4. COLLATERAL: This financing statement covers the following collateral:

All inventory of Debtor, whether now owned or hereafter acquired and wherever located shall serve as collateral.

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, Item 17 and Instructions) being administered by a Decedent's Personal Representative

6a. Check <u>only</u> if applicable and check <u>only</u> one box:	6b. Check <u>only</u> if applicable and check <u>only</u> one box:
<input type="checkbox"/> Public-Finance Transaction <input type="checkbox"/> Manufactured-Home Transaction <input type="checkbox"/> A Debtor Is a Transmitting Utility	<input type="checkbox"/> Agricultural Lien <input type="checkbox"/> Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA:

Instructions for UCC Financing Statement (Form UCC1)

Please type or laser-print this form. Be sure it is completely legible. Read and follow all instructions, especially Instruction 1; use of the correct name for the Debtor is crucial.

Fill in form very carefully; mistakes may have important legal consequences. If you have questions, consult your attorney. The filing office cannot give legal advice.

Send completed form and any attachments to the filing office, with the required fee.

ITEM INSTRUCTIONS

A and B. To assist filing offices that might wish to communicate with filer, filer may provide information in item A and item B. These items are optional.

C. Complete item C if filer desires an acknowledgment sent to them. If filing in a filing office that returns an acknowledgment copy furnished by filer, present simultaneously with this form the Acknowledgment Copy or a carbon or other copy of this form for use as an acknowledgment copy.

1. **Debtor's name.** Carefully review applicable statutory guidance about providing the debtor's name. Enter only one Debtor name in item 1 -- either an organization's name (1a) or an individual's name (1b). If any part of the Individual Debtor's name will not fit in line 1b, check the box in item 1, leave all of item 1 blank, check the box in item 9 of the Financing Statement Addendum (Form UCC1Ad) and enter the Individual Debtor name in item 10 of the Financing Statement Addendum (Form UCC1Ad). Enter Debtor's correct name. Do not abbreviate words that are not already abbreviated in the Debtor's name. If a portion of the Debtor's name consists of only an initial or an abbreviation rather than a full word, enter only the abbreviation or the initial. If the collateral is held in a trust and the Debtor name is the name of the trust, enter trust name in the Organization's Name box in item 1a.

1a. **Organization Debtor Name.** "Organization Name" means the name of an entity that is not a natural person. A sole proprietorship is **not** an organization, even if the individual proprietor does business under a trade name. If Debtor is a registered organization (e.g., corporation, limited partnership, limited liability company), it is advisable to examine Debtor's current filed public organic records to determine Debtor's correct name. Trade name is insufficient. If a corporate ending (e.g., corporation, limited partnership, limited liability company) is part of the Debtor's name, it must be included. Do not use words that are not part of the Debtor's name.

1b. **Individual Debtor Name.** "Individual Name" means the name of a natural person; this includes the name of an individual doing business as a sole proprietorship, whether or not operating under a trade name. The term includes the name of a decedent where collateral is being administered by a personal representative of the decedent. The term does not include the name of an entity, even if it contains, as part of the entity's name, the name of an individual. Prefixes (e.g., Mr., Mrs., Ms.) and titles (e.g., M.D.) are generally not part of an individual name. Indications of lineage (e.g., Jr., Sr., III) generally are not part of the individual's name, but may be entered in the Suffix box. Enter individual Debtor's surname (family name) in Individual's Surname box, first personal name in First Personal Name box, and all additional names in Additional Name(s)/Initial(s) box.

If a Debtor's name consists of only a single word, enter that word in Individual's Surname box and leave other boxes blank.

For both organization and individual Debtors. Do not use Debtor's trade name, DBA, AKA, FKA, division name, etc. in place of or combined with Debtor's correct name; filer may add such other names as additional Debtors if desired (but this is neither required nor recommended).

1c. Enter a mailing address for the Debtor named in item 1a or 1b.

2. **Additional Debtor's name.** If an additional Debtor is included, complete item 2, determined and formatted per Instruction 1. For additional Debtors, attach either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP) and follow Instruction 1 for determining and formatting additional names.

3. **Secured Party's name.** Enter name and mailing address for Secured Party or Assignee who will be the Secured Party of record. For additional Secured Parties, attach either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP). If there has been a full assignment of the initial Secured Party's right to be Secured Party of record before filing this form, either (1) enter Assignor Secured Party's name and mailing address in item 3 of this form and file an Amendment (Form UCC3) [see item 5 of that form]; or (2) enter Assignee's name and mailing address in item 3 of this form and, if desired, also attach Addendum (Form UCC1Ad) giving Assignor Secured Party's name and mailing address in item 11.

4. **Collateral.** Use item 4 to indicate the collateral covered by this financing statement. If space in item 4 is insufficient, continue the collateral description in item 12 of the Addendum (Form UCC1Ad) or attach additional page(s) and incorporate by reference in item 12 (e.g., See Exhibit A). Do not include social security numbers or other personally identifiable information.

Note: If this financing statement covers timber to be cut, covers as-extracted collateral, and/or is filed as a fixture filing, attach Addendum (Form UCC1Ad) and complete the required information in items 13, 14, 15, and 16.

5. If collateral is held in a trust or being administered by a decedent's personal representative, check the appropriate box in item 5. If more than one Debtor has an interest in the described collateral and the check box does not apply to the interest of all Debtors, the filer should consider filing a separate Financing Statement (Form UCC1) for each Debtor.

6a. If this financing statement relates to a Public-Finance Transaction, Manufactured-Home Transaction, or a Debtor is a Transmitting Utility, check the appropriate box in item 6a. If a Debtor is a Transmitting Utility and the initial financing statement is filed in connection with a Public-Finance Transaction or Manufactured-Home Transaction, check only that a Debtor is a Transmitting Utility.

6b. If this is an Agricultural Lien (as defined in applicable state's enactment of the Uniform Commercial Code) or if this is not a UCC security interest filing (e.g., a tax lien, judgment lien, etc.), check the appropriate box in item 6b and attach any other items required under other law.

7. **Alternative Designation.** If filer desires (at filer's option) to use the designations lessee and lessor, consignee and consignor, seller and buyer (such as in the case of the sale of a payment intangible, promissory note, account or chattel paper), bailee and bailor, or licensee and licensor instead of Debtor and Secured Party, check the appropriate box in item 7.

8. **Optional Filer Reference Data.** This item is optional and is for filer's use only. For filer's convenience of reference, filer may enter in item 8 any identifying information that filer may find useful. Do not include social security numbers or other personally identifiable information.

Kasson Fire Department – Monthly Meeting

May 4, 2020 - 1900

Meeting Called to Order: Chief Fitch

Roll Call

Minutes of the previous Meeting: Read and Approved

Treasurer's Report – Relief General Fund: \$ 24,557.22

Appointment of Entertainment: (JUNE) PECK / RAATZ

Training/Drill(s):

MAY 18	TBD on Target Solutions
MAY 25	Holiday

Guest(s): None

Old Business:

- MSFDA Region 15
 - May 20th
 - Rochester International Events Center
 - Need to know by May 15th if you want to attend
- Grass Training Burns
 - Two have tentatively moved to fall
 - Capt. Ulve reports that there will possibly be two additional areas for us to burn by end of the year
- KM Project Kids Tour
 - Tuesday, June 9th
 - 0900-1030 hours
- Recording PPE
 - On the bottom of the Call Log
 - In the "Tools"
 - Record all PPE used on each call and the Qty of each item used
 - Chief stated this is very helpful in monitoring our PPE needs
 - Schuh's neighbor Rich Miller graciously donated 50 N95 masks to the department
- Assessments
 - Chiefs are still working on scheduling individual meetings, hoping to get some more completed this week
 - Chief gave thanks for the comments and thoughts that were provided

New Business:

- Festival Weekend
 - Dance Update
 - Currently still planning on having dance with anticipating an update around June 1st in which we will correspond with the City's decision on Festival weekend
 - If it is cancelled for 2020, the band will just carry everything over to 2021
 - Raffle Update
 - We are going forward with a raffle for 2020
 - The draw date has been moved to the Saturday of Labor Day weekend
 - Cash prizes will be added in amongst the items from Scheels - thanks to T. Fjerstad for the assistance with working with Scheels
 - We will be selling 1500 tickets again and Chief will notify members of their arrival
 - D.C. McAndrews shared that we need to start thinking about how we will sell our tickets this year with social distancing requirements and preparing for Festival Weekend to be

Kasson Fire Department – Monthly Meeting cont.

May 4, 2020

canceled. He also shared that we are exploring other options for fundraising opportunities and if you have an idea please let him know

- **Scholarship Update**
 - FF Lawrence reported that we received two applications and both will be awarded the scholarship – Melissa Seljan and Madelyn Larsen

- **Shift Signup**
 - **Daytime Response**
 - If available respond to the hall as it helps others who may be working know that the call is being covered
 - See current call and hour numbers on the sheet that Chief will be posting
 - On the left side are the number of calls each member has made from January 1st to April 24th 2020
 - On the right side are the hours of availability each member had in Aladtec for the same time period
 - The purpose of this list is to bring awareness to the involvement of each member without directly stating names. The Officers are looking into how we can bring up the bottom 10% to ease possible burnout from the guys at the top.
 - If you would like to know where you sit on this report, please see Chief Fitch

- **Thank You**
 - **Birthday Parades**
 - Thank you to the guys who have helped with these
 - Pass along to Chief any requests you receive from the community
 - Next one – May 12th at 1600, write down name on whiteboard if available

- **Face Mask Collection**
 - **400 Masks Collected**
 - 35 have been donated to Sunwood Manor and 50 will be going to Prairie Meadows
 - Chief is contacting REM homes to assess their need for masks

Officers Update:

- D.C. Seljan reported that he is still waiting to hear about the SCBA grant and the radio grant

Relief Updates:

- N/A

=====

- **Apparatus / Other Status Reports (NOTHING TO REPORT)**
 - Rescue generator had a recall, Rudy to bring back
 - Engine I X
 - Engine II will be going for repairs soon
 - Tanker I X
 - Tanker II X
 - Ladder I X
 - Grass Rig X
 - Utility X
 - EMR Unit has recall so may be gone for a day
 - HAZMAT X

Bills Reviews by Relief:

- N/A

Review of Calls:

27 Calls for April 2020

o EMS	22
o MVA	1
o Rescue	1
o Fire	1
o Cancelled	2

- o Concerning incident
 - Chief sent out email about a family at a specific residence and their lack of respect related to concerns with COVID-19
 - D.C. McAndrews stated that potential for community spread COVID-19 is still very real and we need to be mindful of that
 - D.C. Seljan reminded everyone not to hesitate to call for Law Enforcement assistance and if needed request the other firefighters at the hall to respond as well
 - Chief provided the reminder that we take care of us first and foremost
- o B. Freerksen passed on a thank you from DCFD for the assistance with a trailer fire
- o Update on Order 20-34 from the Governor
 - If a positive COVID-19 patient signs a release form, their address is provided to the county dispatch and that information is to be shared with EMS if they are responding to that location
 - In Dodge County the process is for dispatch to ask the first responding unit to telephone into dispatch and will be given that information
 - Kasson Fire Dept will continue to respond with the procedure that the EMR making patient contact will be in full PPE on every medical call
- o New face shields
 - Chief has received a limited supply of reusable face shields. Reach out to him if you would like one

Good of the Assoc:

- o National Firefighter's Day
 - Chief extended a Happy National Firefighter's Day to the department and shared a memo from the State Fire Marshal Division
- o Flags for Memorial Day
 - These flags are put on firefighter's gravesites
 - Flags will be put out May 18th and collected first week of June
- o Chief provided reminder to put items away that you see out around the fire hall (ex: SCBAs/fire hose)

Meeting Adjourned

Respectfully Submitted: Lindsey Derby, Sec / Treas '19
Krista Weigel, Emergency Services Administrative Assistant

... Firefighters not in attendance – Please sign and date your reading of the Meeting Minutes ...

Kasson Fire Department – Monthly Meeting
April 6, 2020 - 1900

Meeting Called to Order: Chief Fitch

Roll Call

Minutes of the previous Meeting: Read and Approved

Treasurer's Report – Relief General Fund: \$

Appointment of Entertainment: (MAY)

MILLER / PARKIN

Training/Drill(s):

APR 20

APR 27



TBD: possible zoom meeting

Guest(s):

Old Business:

- School Recaps
 - State Fire School – Mankato
 - Storm Spotter Training
 - Duluth Officer School - Cancelled
 - State Fire School – Rochester - Cancelled
- Mock Crash
 - Cancelled
 - Tentatively scheduled for next year
- KM 10th Grade CPR
 - April 6th
 - April 7th
 - cancelled
- Self-Assessment
 - Chief and Deputy Seljan are still working on the process for conducting review with each member, for this year there has been a question added to the self-assessment paperwork in which you can request to meet with them
 - These are to be taken seriously, write out your truthful answers
 - Return them to Chief by April's meeting – April 6th
- Open House
 - April 4th 10:00 – 13:00
 - cancelled
- Byron Mutual Aid Dinner/Fish Fry
 - March 18
 - cancelled

New Business:

- Thank you
 - Toys for Tots
 - KM Robotics Team
- Zumbro Valley Mutual Aid Dinner
 - Steak Fry
 - Will be postponed
- Mantorville Mutual Aid Dinner/Steak Fry
 - April 14th
 - Will be postponed

Kasson Fire Department – Monthly Meeting cont.
April 6, 2020

- MSFDA Region 15
 - May 20th
 - Rochester International Events Center
 - Need to know by May 15th if you want to attend
- Grass Training Burns
 - As of right now, this will not be happening this spring
- KM Project Kids Tour
 - Tuesday, June 9th
 - 0900-1030 hours
- Recording PPE
 - On the bottom of the Call Log
 - In the “Tools”
 - Record all PPE used on each call and the Qty of each item used

Officers Update:

- N/A

Relief Updates:

- N/A

=====

▪ Apparatus / Other Status Reports (NOTHING TO REPORT)

- Rescue X
- Engine I X
- Engine II X
- Tanker I X
- Tanker II X
- Ladder I X
- Grass Rig X
- Utility X
- EMR Unif X
- HAZMAT X

Bills Reviews by Relief:

- N/A

Review of Calls:

35 Calls for April 2020		
○ EMS		32
○ MVA		0
○ Rescue		0
○ Fire		0
○ Cancelled		3

Good of the Assoc:

Meeting Adjourned

Respectfully Submitted: Krista Weigel, Emergency Services Administrative Assistant

KASSON FIRE DEPT. RELIEF ASSOCIATION,

Thank you for the donation to K-M Schools
for the Robotics Team. Your Commitment
to Excellence is evident. Thank you!

Amy H. Olson
Sgt. J. Alvarado

Mark W. Rupp

Agri Kohnen
Zachary Kent



MARINE CORPS RESERVE



Southeast Minnesota

2011 & 2017 National Campaigns of the Year

February 22, 2020

Thank you for your support during the 2019 Toys for Tots campaign. We had a very successful campaign this year providing 18,936 toys to 7,804 children in Southeast Minnesota. We worked with 29 local agencies that helped us identify families in need and distribute toys to children. The numbers fluctuate every year, but we have always been able to meet the need.

Although Toys For Tots is a national foundation, it is a locally driven campaign. All of the toys we collect stay in Southeast Minnesota as well as all of the monetary donations we receive are spent locally. We believe in supporting local businesses. Your donation helped us purchase nearly 3,500 toys. Without the support and generosity of people like you, our program wouldn't be able to exist.

Our website is semntoysfortots.com. Please like us on Facebook and follow us on Twitter.

Thanks again for your support.

1stSgt Vince Reynolds, USMCR
Coordinator, Southeast Minnesota Toys for Tots
2011 & 2017 National Campaigns of the Year
semntoysfortots@hotmail.com

WOW!!

Please thank everyone who contributed to help us provide toys to children in need.

"Because every child deserves a little Christmas"

DATE: 7/10/2019

TO: Mayor and Council

FROM: Chief Berghuis

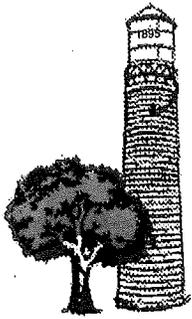
RE: Evaluations of Paul Lindgren

To Mayor and City Council Representatives:

Officer Lindgren has been given his annual performance review, he both meets and exceeds expectations, therefore, I recommend that Officer Lindgren be moved from Grade 10 Step 3 to Grade 10 Step 6 according to our city pay scale. Officer Lindgren had met past expectations hours wise, while working as a part-time officer and during that time had several positive reviews, but had not been moved up the scale. This will correct the missed steps that he has coming to him and place him on the scale where he should rightfully be. This has been confirmed by Tim Ibisch and Linda Rappe.

Respectfully Submitted,

Kent Berghuis



TREE
CITY
USA

CITY OF KASSON

401 FIFTH STREET SE
KASSON, MINNESOTA 55944-2204
PHONE: (507) 634-7071
FAX: (507) 634-4737

MEMO

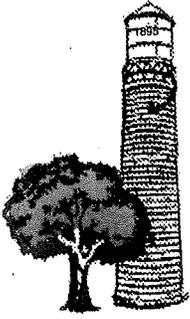
To: Mayor and City Council
From: Public Works Director Charlie Bradford
Date: April 17th, 2020
Subject: Evaluation of PT Parks Worker Mark Rappe

To Mayor and City Council:

PT Parks Worker Mark Rappe has been given his annual performance review. His performance consistently meets the requirements of the position. Mark brings a positive attitude to work and likes to stay busy working. I recommend that Mark be moved from Grade 4 Step 1 to Grade 4 Step 2.

Thank you,

Charlie Bradford



TREE
CITY
USA

CITY OF KASSON

401 FIFTH STREET SE
KASSON, MINNESOTA 55944-2204
PHONE: (507) 634-7071
FAX: (507) 634-4737

MEMO

To: Mayor and City Council
From: Public Works Director Charlie Bradford
Date: April 3rd, 2020
Subject: Evaluation of Water/Wastewater Supervisor David Vosen

To Mayor and City Council:

Water/Wastewater Supervisor David Vosen has been given his annual performance review. His performance consistently meets and sometimes exceeds the requirements of the position. Dave keeps me informed on daily basis of his department and makes sure deadlines are met. Dave is at the top of his pay scale (Grade 13 Step 7).

Thank you,

Charlie Bradford

May 6, 2020

Honorable Mayor and
Members of the City Council
City of Kasson, Minnesota

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kasson, Minnesota for the year ended December 31, 2019. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated August 30, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Kasson, Minnesota are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2019. We noted no transactions entered into by the City during the year for which there is a lack of authoritative accounting guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Depreciation of Capital Assets

Management's estimate of the useful life of purchased, constructed or contributed capital assets is based on the estimated productive life of these assets. We evaluated the estimated useful lives assigned to capital assets and determined that these lives were reasonable in relation to the financial statements taken as a whole.

Net Pension Liability

Management's estimate of the net pension liability is actuarially determined. We have evaluated the estimates used in the study and determined they were reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. None of the misstatements detected as a result of audit procedures were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We requested certain representations from management that are included in the management representation letter dated May 6, 2020.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, the Schedule of Changes in Net OPEB Liability and Related Ratios, the Schedule of City and Non-Employer Proportionate Share of Net Pension Liability, and the Schedule of City Pension Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual nonmajor fund statements and schedules which accompany the financial statements but are not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the city council of the City of Kasson, Minnesota and the City's management and is not intended to be, and should not be, used by anyone other than those specified parties.

Very truly yours,

Smith, Schafn and Associates, Ltd.

Rochester, Minnesota

CITY OF KASSON RESOLUTION # XX-20

**RESOLUTION APPROVING THE PRELIMINARY PLAT FOR THE PROPERTY AT
PID No. 240340700, KNOWN AS BLAINE'S 14TH ADDITION**

WHEREAS, the applicant, Tierra AKA Partnership, represented by Carter Blaine, on November 18, 2019 submitted a request for a Preliminary Plat, for the property at PID No. 240340700; and,

WHEREAS, the subject site is generally located east of 11th Avenue NE at the eastern border of Kasson; and,

WHEREAS, the applicant is proposing to plat the 40.7-acre parcel into 48 single family detached lots and four outlots; and,

WHEREAS, the appropriate City Staff and consultants have performed a technical review of the application;

WHEREAS, at a public hearing duly held on the 9th day of December, 2019, the Planning and Zoning Commission heard testimony of all persons wishing to comment; and

WHEREAS, following the public testimony and report of the technical review, the Planning and Zoning Commission reviewed all relevant information regarding the proposed Preliminary Plat and recommended approval subject to conditions; and,

WHEREAS, the City has considered how the proposed project might affect public health, safety, or welfare and will be imposing conditions upon the approval addressing these considerations; and

WHEREAS, the City Council has studied the practicality of the preliminary plat, taking into consideration the present and future development of the property and the requirements of the Zoning, Subdivision Ordinances, and other official controls.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KASSON, MINNESOTA that the following findings are hereby adopted regarding the application for a Preliminary Plat for PID No. 240340700, known as Blaine's 14th Addition:

1. The proposed preliminary plat, with conditions, is consistent with the Comprehensive Plan and policies of the City of Kasson.
2. The physical characteristics of the site are suitable for the type of development and use being proposed.

3. The proposed development will not negatively impact the health, safety, or welfare of the community.
4. The proposed preliminary plat, with conditions, gives effective protection to the natural resources of the community, especially ground water and surface waters.

BE IT FURTHER RESOLVED that the Preliminary Plat for PID No. 240340700, known as th Addition, is hereby approved, subject to the following conditions: Blaine's 14

1. The following changes shall be made to the Preliminary Plat drawing, and shall be submitted to the City and approved by the Zoning Administrator prior to the applicant submitting a Final Plat application to the City for the subject site:
 - a. The area labeled as an "environmental easement" shall be extended to include the area up to Sewer Easement on Block 4, Lots 1-10 and include the trail easement to the south; this area shall be relabeled as having a Utility Easement, a Drainage Easement, and a Conservation/Environmental Corridor Easement
 - b. The areas under the easement described in Condition 1.a., above, that are also located within Block 4, Lots 1-10 shall also be subject to a maintenance agreement for each lot, and this shall be indicated on the preliminary plat
 - c. The areas shown as Outlot "C" and Outlot "E" shall be preserved with the area shown as Outlot "D" maintained appropriately.
 - d. The trail easement shall connect to the trail easement shown on Kasel 1st Addition
 - e. The applicant shall submit a certificate of survey of the existing properties to be subdivided. This survey shall include:
 - i. Delineated wetlands
 - ii. Labeled 100-year floodplain and elevation cross section, and their source
 - f. Outlots intended for future development shall be labeled as such on the Preliminary Plat under the outlot name
 - g. Lot widths at the building line shall be provided
 - i. No parcel shall have a lot width at the building line be less than 66 feet
 - h. Yard setback lines shall be shown for all residential parcels; this shall show the buildable area of all residential parcels
 - i. The Regulatory Flood Protection Elevation of Masten Creek shall be added to all areas within or adjacent to the floodplain
 - j. Drainage and utility easements shall be shown for each residential parcel, including a drainage and utility easement for the rear yard and side yard
 - k. The proposed 10-foot utility easement shown on Outlot "B" shall be revised to show the entirety of the outlot under the easement, by relabeling the "Drainage easement" as "Drainage and Utility Easement"
2. The following changes shall be made to the Preliminary Plat drawing, and shall be submitted to the City and approved by the City Engineer prior to the applicant submitting a Final Plat application to the City for the subject site:
 - a. The applicant shall submit a Wetland Delineation Report for the site
 - b. The applicant shall submit a Grading and Drainage Plan for the site

- i. The Plan shall show proposed grading contours of the site, with contours no less than 2-foot
 - ii. The Plan shall show soil and sedimentation control measures for construction as well as permanent measures
 - iii. The Plan shall address the grading of the areas with steep slopes on Block 1 Lots 6-11, Block 3 Lots 9-11, Block 4 Lots 5-8, as well as the right-of-way for 3rd Street NE
 - iv. The Plan shall preserve the steep slopes around Masten Creek and shall indicate measures for soil and sedimentation control for the Creek
 - v. The Plan shall be reviewed by the City Engineer
 - c. The proposed 20-foot easement for the sewer main between Lots 4 and 5, Block 4 shall be increased to 30 feet due to the depth of the proposed sewer main. This may affect the layout of the adjacent lots.
 - d. Other changes as indicated by the City Engineer in their letter to the City Administrator dated December 4, 2019, as drawn on the plans attached to the letter.
 3. The following shall be provided with the final plat submittal:
 - a. Any covenants or deed restrictions shall be provided with the final plat submittal
 - b. An updated name for 6th Street NE/14th Avenue NE; only one name shall be accepted for the street
 - i. The naming of the street shall be approved by the Public Works Director, the City Fire Chief, and the City Chief of Police.
 - c. The applicant shall work with the City Engineer to determine if additional right of way will be required at the bridge crossing of the future parkway over Masten Creek. The final plat should reflect the needed right of way, as well as ensure that no resulting residential lots are less than 7,920 square feet
 - d. Final Construction Plans including the following conditions:
 - i. Hydrant locations and spacing shall be reviewed by the City Fire Chief.
 - ii. The wet pond shall be sized to provide rate control for the 2-year, 10 year and 100-year Atlas 14 design storms for the post development condition to equal or less than pre development conditions for the tributary portions of Blaine's Twelfth and Blaine's Fourteenth. The improvements associated with the future Parkway through the subject property shall also be included in the pond sizing. The wet pond shall also be designed to comply with NPDES permit requirements.
 - iii. Removed hydrants shall be salvaged to the City.
 - iv. All sidewalks shall be 5 feet wide; all trails shall be 10 feet wide
 - v. The pipe crowns for differing storm sewer pipes sizes shall be aligned at manhole junctions.
 - vi. The vertical alignment for the Parkway shall be extended to a point south of Masten Creek. The vertical alignment and bridge sizing will have to be reviewed for coordination of the future bridge crossing.

- e. The Developer shall acquire an easement from the adjoining property to the north and moving the temporary turnaround for 13th Avenue NE to the north, or shall update the current driveway access for Lots 1 and 2, Block 1 as the temporary turnaround likely makes these lots unbuildable.
4. The applicant shall be responsible for payment of all costs associated with the preliminary plat application.

Adopted this 22nd day of April, 2020.

ATTEST:

Linda Rappe, City Clerk

Chris McKern, Mayor

The motion to approve the foregoing resolution was made by Council Member ____ and duly seconded by Council Member _____. Upon a vote being taken, the following members voted in favor thereof: _____. Those against same: _____.

**BLAINE’S FOURTEENTH SUBDIVISION
DEVELOPMENT AGREEMENT**

The parties to this Development Agreement (“Development Agreement”) are the City of Kasson, a Minnesota municipal corporation (hereinafter referred to as the "City"), and Tierra AKA Partnership (hereinafter referred to as the "Developer”).

The City and Developer are sometimes referred to in this Development Agreement as a “Party” or the “Parties.”

RECITALS

a. Developer owns or will own certain real property within the City limits of Kasson, situated in the County of Dodge, State of Minnesota, and legally described on the attached Exhibit A, hereinafter referred to as the “Development Property,” “Property,” or “Premises.”

b. Developer has requested permission to construct, at its own expense, certain public improvements within the proposed public right-of-way of the Property according to the plans and specifications prepared by WSE Massey Engineering & Surveying, and permission to construct a parkway within the proposed public right-of-way of the Property at a future date.

c. The City is willing to grant Developer permission to complete the proposed improvements now and in the future at Developer's own expense, provided the proposed improvements are completed in accordance with the terms of this Agreement and under the supervision of the City Engineer or his agent or representative, in addition to any terms and conditions required of all developers undertaking this type of construction within the City. The Developer shall also be responsible for the City Engineer's construction observation and inspection fees which are estimated to be \$ _____ for the Development Project.

NOW, THEREFORE, in consideration of the premises, the Parties hereby agree as follows:

1. **Developer Representations and Warranties.**

Developer makes the following representations and warranties to the City:

a. Developer is a partnership under the laws of the State of Minnesota. Developer has the right, power and authority to execute, deliver and perform its obligations under this Agreement. Developer assures the City that the individuals who execute this Agreement on behalf of the Developer are duly authorized to sign on behalf of the Developer and to bind the Developer thereto.

b. Developer is not currently in default under any contract, agreement or mortgage to which Developer is a party or by which the Development Property is bound which in any way affects the Developer's performance under this Development, nor have any events occurred which would be a default under such contracts, agreements or mortgages but for the passage of time or giving of notice thereof.

c. Developer has complied with and will continue to comply with all applicable Federal, State and local statutes, laws and regulations, including, without limitation, any permits, licenses, and applicable zoning, environmental, building codes or other laws, including MPCA and Minnesota Department of Health permits, ordinances or regulations affecting the Development Property and the work to be completed thereon. The Developer is now aware of any pending or threatened claim of any such violation. Without limitation of the foregoing, the Developer expressly acknowledges and agrees that it has and shall at all times comply with each and every provision of this City's subdivision, zoning, and other related municipal code regulations.

d. There is no suit, action, arbitration or legal, administrative or other proceeding or other governmental investigation pending or threatened against or affecting the Developer. The Developer is not in default with respect to any order, writ, injunction or decree of any federal, state, local or foreign court, department, agency or instrumentality.

e. To the best of the Developer's knowledge, no council person or other officer or employee of the City is directly or indirectly financially interested in this Development Agreement or any contract, agreement or job thereby contemplated to be entered into or undertaken. Developer warrants that it has not paid or given, and will not pay or give, any official or employee of the City any money or other consideration for obtaining this

Development Agreement.

f. None of the representations and warranties made by the Developer in any exhibit hereto or memorandum or writing furnished or to be furnished by the Developer or on its behalf contains or will contain any untrue statement of material fact or omits any material fact, the omission of which would be misleading.

g. Developer shall not allow any waste or nuisance on the premises or allow the premises to be used for any unlawful purposes. Further, Developer shall maintain the premises in a neat and clean condition, including mowing and removal of all construction debris.

h. Developer shall arrange and pay for all utilities furnished to the premises, including, but not limited to, electricity, gas, water, sewer, telephone service, as well as payment of all real estate taxes and all other taxes, if any.

i. Developer shall arrange and pay for the proper abandonment of existing wells and septic systems located on the Development Property, if any, pursuant to federal, state and local laws and regulations.

j. Developer agrees to record the Environmental Corridor and Recreational Trail Easements as shown on the final plat.

k. Developer warrants that the construction of the infrastructure on the Development Property, which includes the water system, sanitary sewer system, storm sewer system, storm water management pond, curbs, gutters, streets and sidewalks, shall comply with the plans and specifications approved by the City Engineer and attached hereto as Exhibit B. The Developer shall have a pre-construction meeting with the City regarding the installation of the infrastructure. The Developer and its contractors shall coordinate any water main and sewer main disturbances with the City's staff.

l. Developer warrants that the construction plans and hydraulic calculations for the storm water management pond shall be review and approved by the City Engineer prior to construction. The Developer further warrants that the construction of the storm water management pond shall comply with the plans and specifications approved by the City

Engineer.

m. Three copies of all project plans and specification shall be signed by the Developer and its engineer and submitted to the City. The City and the City Engineer shall sign all copies and return one to the Developer. There shall be no alterations to the approved plans and specifications except upon the prior written approval of the City and its Engineer.

2. **The Project:**

The work to be completed pursuant to this agreement shall commence on or about _____, shall be done and performed in the best and most worker-like manner and in strict conformance with the Plans, and shall consist of the following:

a. The Developer shall construct at its expense a water main on the Development Property pursuant to the plans and specifications as approved by the City Engineer. The Developer shall connect the water main to the City's existing water main as indicated on the approved plans and specifications. Prior to such connection, the Developer shall verify that the existing water main is in conformance with applicable federal, state, and local laws and regulations and is sufficient to meet the needs of the Development Property. All applicable water access charges pursuant to Ordinance §53.002 shall be paid to the City prior to the commencement of construction on the Development Property.

b. The Developer warrants that all the labor and materials used in constructing the water main will be of good quality and in conformance of applicable federal, state and local laws and regulations. Developer further guarantees that the water main shall not have to be replaced or repaired for a period of one (1) year from the date of the City's acceptance of the infrastructure. If such repairs or replacements occur within the one (1) year period, one hundred (100%) percent of the cost of same shall be the responsibility of Developer.

c. The Developer shall construct at its expense a sanitary sewer main on the Development Property sufficient to meet the needs of the Development Project and pursuant to the plans and specifications approved by the City Engineer. The Developer shall connect the sanitary sewer main to the City's existing sanitary sewer mains as indicated on the approved plans and specifications. Prior to such connection, the Developer shall verify that

the existing sanitary sewer main is in conformance with applicable federal, state, and local laws and regulations and is sufficient to meet the needs of the Development Property. All applicable sewer access charges pursuant to Ordinance §53.002 shall be paid to the City prior to the commencement of construction on the Development Property.

d. The Developer warrants that all the labor and materials used in constructing the sanitary sewer main will be of good quality and in conformance of applicable federal, state and local laws and regulations. Developer further guarantees that the sanitary sewer main shall not have to be replaced or repaired for a period of one (1) year from the date of the City's acceptance of the infrastructure. If such repairs or replacements occur within the one (1) year period, one hundred (100%) percent of the cost of same shall be the responsibility of Developer.

e. The Developer shall construct at its expense a storm water collection system for the Development Property, which includes a storm water management pond, sufficient to meet the needs of the Development Project and future development and pursuant to the plans and specifications approved by the City Engineer. The Developer shall connect the storm water collection main and storm water management pond to the City's existing storm water collection system as indicated on the approved plans and specifications. Prior to such connection, the Developer shall verify that the existing storm water collection mains are in conformance with applicable federal, state, and local laws and regulations and are sufficient to meet the needs of the Development Property.

f. The Developer warrants that all the labor and materials used in constructing the storm water collection system will be of good quality and in conformance with applicable federal, state and local laws and regulations. Developer further guarantees that the storm water collection mains shall not have to be replaced or repaired for a period of one (1) year from the date of the City's acceptance of the infrastructure. If such repairs or replacements occur within the one (1) year period, one hundred (100%) percent of the cost of same shall be the responsibility of Developer.

g. The Developer warrants that all labor and materials used in constructing the

storm water management pond will be of good quality and in conformance with applicable federal, state and local laws and regulations and pursuant to NPDES permit requirements. The Developer shall clean out the pond after homes are constructed upon the Development Property, and before the City accepts ownership of the storm water management pond.

h. The Developer warrants that all proposed private utility roadway crossing conduit locations will be installed before roadway construction unless shown on the construction plans.

i. The Developer shall perform testing and observation of all engineered fill outside the right-of-way and shall submit test results and observation records to the City upon completion.¹

j. The Developer shall construct at its expense the streets, curbs, and gutters pursuant to the plans and specifications approved by the City Engineer. The Developer shall connect the streets, curbs, and gutters to the City's existing streets, curbs, and gutters as indicated on the approved plans and specifications. The bituminous street wearing course shall be placed one construction season after the base course is placed. Prior to such connection, the Developer shall verify that the existing streets, curbs, and gutters are in conformance with applicable federal, state, and local laws and regulations and are sufficient to meet the needs of the Development Property.

k. The Developer warrants that all the labor and materials used in constructing the streets, curbs, and gutters will be of good quality and in conformance of applicable federal, state and local laws and regulations. Developer further guarantees that the street, curbs, and gutters shall not have to be replaced or repaired for a period of one (1) year from the date of the City's acceptance of the infrastructure. If such repairs or replacements occur within the one (1) year period, one hundred (100%) percent of the cost of same shall be the responsibility of Developer.

l. The parties agree that the future parkway set forth on the approved plans and

¹ This information is provided to the City for informational purposes only and is not

specifications is required to meet the needs of the Development Project and will be constructed in the future when the development of or possible development of adjacent property requires its construction in the City's sole discretion.

m. When constructed, the Developer shall connect the parkway as indicated on the approved plans and specifications. Prior to such connection, the Developer shall verify that the existing streets, curbs, and gutters are in conformance with applicable federal, state, and local laws and regulations and are sufficient to meet the needs of the Development Property.

n. The Developer warrants that all the labor and materials used in constructing the parkway will be of good quality and in conformance of applicable federal, state and local laws and regulations at the time of construction. Developer further guarantees that the parkway, curbs, and gutters shall not have to be replaced or repaired for a period of one (1) year from the date of the City's acceptance of the parkway infrastructure. If such repairs or replacements occur within the one (1) year period, one hundred (100%) percent of the cost of same shall be the responsibility of Developer.

o. The Developer shall require sidewalks to be constructed upon the individual lots of the subdivision as homes are built on the lots. Specifically, Developer shall require the sidewalk to be constructed on each lot within six months of the City's final inspection of the home constructed on that lot. The Developer warrants that it will require that all labor and materials used in constructing the sidewalks will be of good quality and in conformance of applicable state and local regulations. Developer further guarantees that the sidewalk on each individual lot shall not have to be replaced for a period of one (1) year from the date of completion of the sidewalk's construction. If such repairs or replacements occur within the one (1) year period, one hundred (100%) percent of the cost of same shall be the responsibility of the Developer.

p. Pursuant to Ordinance §152.023, the Developer shall pay to the City all parkland dedication fees or shall provide to the City proof of its satisfaction of the City's

reviewed by the City.

parkland dedication requirement by its previous dedication of parkland to the City prior to the commencement of construction on the Development Property.

q. The Developer must implement a soil and erosion control procedure during the course of any construction or site grading and obtain all required MPCA permits. All areas disturbed by excavation and back filling activities must be seeded or sodded immediately after the work in that area is complete. While work on structures is in progress, the Developer shall erect a silt fence to prevent runoff from impacting other parcels. The City reserves the right to impose additional soil and erosion control requirements, if, in the reasonable opinion of the City Engineer, such requirements are necessary to control erosion.

r. The foregoing project shall be subject to inspection by the City and the City Engineer or his agent or representative. The Developer shall provide the City Engineer or his agent or representative with reasonable access to the Development Property for inspection purposes. The City Engineer shall observe the construction and provide confirmation to the City that the construction is in conformance with the plans and specifications. The Developer shall comply with any corrective action ordered as a result of such inspections. Costs of such inspections shall be paid by the Developer within 30 days of its receipt of the invoice.

s. In the event that the City rejects as defective or unsuitable any material or labor supplied by the Developer regarding the improvements, the rejected material must be removed and replaced with approved material and the rejected labor must be done again to the specification and approval of the City and at the sole cost and expense of the Developer. If at any time the Developer, after 30 days' notice, shall fail to complete any of the improvements, or make satisfactory any of the improvements, the City may draw on the security pledged to reimburse itself for the cost of completion or making satisfactory such improvements.

t. The Developer shall give prompt notice of completion of the Development Project in accordance with the project plans and specifications. The City Engineer or his agent or representative shall conduct a final inspection of the Development Project and shall immediately notify the Developer of any improvements that do not appear to conform to the

approved plans and specifications. The cost of such final inspection shall be paid by the Developer within 30 days of its receipt of the invoice.

u. Any cost incurred by the City to remedy any non-conformity to the approved plans and specification, whether such non-conformity is discovered at the time of the final inspection or is discovered later, shall be the financial obligation of the Developer and shall be reimbursed or paid to the City within ten (10) days of receipt of a bill for such costs. Such billing shall include a detailed and itemized list of all costs incurred by the City.

v. The City may, in cases of emergencies, proceed to remedy the default by Developer without prior notice to Developer of such default. In such cases, the Developer hereby waives any and all rights to prior notice of such default.

w. Acceptance of the infrastructure will be issued only after all improvements set forth in this Development Agreement and in the approved plans and specifications, except the future parkway, have been inspected by the City Engineer and approved by the City Engineer and the City Council. Upon acceptance of the infrastructure, the Developer shall transfer ownership of the required improvements to the City free and clear of all liens and encumbrances.

3. **Ownership of Infrastructure.**

a. Absent any default of the Developer, the City shall assume ownership of the water main, sanitary sewer main, storm water collection main, street, curbs, gutters, and infrastructure related thereto to the right-of-way line upon the acceptance of the infrastructure as set forth in Section 2.w and upon approval by the City. The City shall assume ownership of the storm water management pond as set forth in Section 2.e – 2.g and upon approval by the City.

b. Within thirty (30) days after the City's acceptance of the infrastructure, the Developer shall supply the City with three physical and one electronic copy of a complete set of As-Built plans.

4. **Time for Performance.**

Subject to unavoidable delay, the Developer shall diligently proceed with the

completion of the Development Project. The Developer shall complete all work as required by the approved plans and specifications on or before December 1, 2021. An unavoidable delay is a delay which results directly from an event or circumstance a party could not reasonably anticipate and could not control, including but not limited to strikes or other labor troubles, unusually severe or prolonged bad weather, acts of God, acts of wars, terrorism, fire or other casualty or litigation, which third parties commenced against the parties, which result in an injunction or other similar judicial action, or which prevents or delays commencement or completion of the work. If unavoidable delay occurs, a party shall notify the other party in writing. If a party gives the other party written notice of unavoidable delay within five (5) business days of the onset of such event or circumstance that causes the unavoidable delay, the completion date is extended for a period of time equal to the period of unavoidable delay; provided however, in no event is the completion date to extend more than 120 days.

5. **Liability Insurance.**

a. Until Developer has completed all of the Development Work pursuant to the Development Project, Developer must maintain, in full force and effect, a policy or policies of Comprehensive General Liability Insurance providing for coverage on an occurrence basis with limits of liability not less than \$1,000,000.00 per occurrence. The policy or policies must name the City, the City Council members and the City's employees and agents as additional insureds and must include contractual liability coverage for Developer's indemnification obligations pursuant to Section 6. The policy or policies of Comprehensive General Liability Insurance must be written by insurance companies authorized to do business in the State of Minnesota and must be endorsed to provide that coverage provided herein may not be canceled or terminated without thirty (30) days prior written notice to the City. Prior to the commencement of any Development Work, and thereafter, at least thirty (30) days prior to the expiration of the policy as provided for herein, the Developer must provide the City with a Certificate or Certificates of Insurance evidencing Developer's compliance with the requirements of this section. Developer must provide the City with

copies of the insurance policies provided for in this section upon the City's request. The insurance Developer maintains pursuant to this section is primary to any insurance the City or the City Council members, employees or agents maintain on their own behalf.

b. Until Developer has completed all of the Development Work pursuant to the Development Project, all contractors on the Development Property must also maintain, in full force and effect, a policy or policies of Comprehensive General Liability Insurance providing for coverage on an occurrence basis with limits of liability not less than \$1,000,000.00 per occurrence. The policy or policies must name the City, the City Council members and the City's employees and agents as additional insureds. The policy or policies of Comprehensive General Liability Insurance must be written by insurance companies authorized to do business in the State of Minnesota and must be endorsed to provide that coverage provided herein may not be canceled or terminated without thirty (30) days prior written notice to the City. Prior to the commencement of any contractor's work on the Development Project, and thereafter, at least thirty (30) days prior to the expiration of the policy as provided for herein, the contractor must provide the City with a Certificate or Certificates of Insurance evidencing the contractor's compliance with the requirements of this section. Contractors must provide the City with copies of the insurance policies provided for in this section upon the City's request. The insurance such contractors maintain pursuant to this section is primary to any insurance the City or the City Council members, employees or agents maintain on their own behalf.

6. **Indemnification.**

Developer must indemnify and defend the City, the City Council members and the City's employees and agents against and hold the City, the City Council members and the City employees and agents harmless from any claims, damages or liabilities of any kind arising out of, incidental to or in connection with the Development Project, whether or not due to the negligence of Developer, or any contractor or its employees, servants or agents, except for liability arising out of the sole negligence of the City or the City's employees or agents.

7. **Security.**

a. Prior to the commencement of any proposed improvements under this Agreement and pursuant to Ordinance §50.04(B)(2), Developer shall provide a letter of credit to the City equal to 110% of the total estimated construction cost, excluding the future parkway, and including the City Engineer's construction observation and inspection fee. The security shall guarantee performance of this Agreement in accordance with the approved plans and specifications. The City will maintain a minimum of 10% of this letter of credit until the expiration of the one-year warranty period after the City takes ownership of all infrastructure, excluding the parkway, pursuant to Section 3a. Absent any default of the Developer, this security shall be terminated thereafter.

b. In addition, the Developer shall also provide a letter of credit to the City equal to 125% of the estimated construction cost of the future parkway. The City will maintain a minimum of 10% of this letter of credit until the expiration of the one-year warranty period after the City takes ownership of the future parkway. Absent any default of the Developer, this security shall be terminated thereafter.

c. In lieu of the security for the future parkway being provided solely in the form of a letter of credit, the Developer may provide up to 50% of the security in the form of a note and mortgage against the parcel referred to in the plat as Outlot B. If the future parkway is not completed when the note and mortgage become due, unless the note and mortgage have been extended in a manner acceptable to the City in its discretion, the City may foreclose the mortgage. From the proceeds of such a foreclosure sale, the City shall be reimbursed for any attorney fees in the foreclosure process or the development process, engineering fees, and other technical, administrative and professional assistance relating to completion of the improvements and the exercise of the City's rights hereunder, as well as any costs the City might incur in remedying the default of Developer including but not limited to, contracting and construction costs.

d. The Developer shall be liable to the City in the event the security pledged is inadequate to reimburse the City for its costs regarding any of the improvements.

8. **Developer's Defaults.**

Each of the following constitutes a “Developer's Default”:

- a. Developer's failure to perform one or more of Developer's obligations under this Development Agreement;
- b. Developer's failure to perform one or more of Developer's obligations under the Note and Mortgage referred to herein;
- c. Developer's failure to observe any restrictions set forth in this Development Agreement;
- d. Developer's failure to pay real estate taxes as they come due; or
- e. Developer's failure to take the corrective action as ordered by the City Engineer.

9. **Remedies.**

If a Developer's Default occurs, the City shall give the Developer written notice of the Developer's Default at the address set forth in Section 12. If Developer fails to cure the default within ten (10) business days, the Developer is deemed to be in default under this Development Agreement and the City, may at its option, and in addition to other rights and remedies as provided by law, exercise one or more of the following remedies:

- a. The City may refuse to issue building permits for all or any of the portions of the Development Property, including outlots;
- b. The City may refuse to issue Certificates of Occupancy for improvements constructed on the Development Property;
- c. The City may refuse to permit connection of the water main, sanitary sewer main, storm water collection main, or storm water management pond to the City's systems;
- d. The City may seek injunctive relief from a Court of competent jurisdiction, which may include but not be limited to, a temporary restraining order, temporary injunction or injunction prohibiting Developer from taking an action that violates this Development Agreement, or an Order to compel Developer's specific performance of one of Developer's obligation under this Development Agreement;

13. **Miscellaneous.**

a. No council member or employee of the City is personally liable to Developer for or as a result of the City's failure to perform its obligation under this Development Agreement or to abide by the provisions of the City Ordinances.

b. Third parties have no recourse against Developer or the City under this Development Agreement.

c. If any portion, section, subsection, sentence, clause or paragraph of this Development Agreement is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion of this Development Agreement.

d. The parties may execute separate counterparts of this Development Agreement and exchange duplicate, original signature pages with one another. Each fully executed original assembled from such separately executed signature pages constitutes an original.

e. This Development Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

f. Developer's performance of Developer's obligations with the time periods established in this Development Agreement is a material term of this Development Agreement.

g. This Development Agreement shall be effective as of the date the last party to execute this Development Agreement executes this Development Agreement (the "Effective Date").

h. This Development Agreement, and the Exhibits attached hereto, constitute the complete, final and exclusive embodiment of the agreement between the Parties. This Development Agreement supersedes any other such promises, warranties, or representations and any other written or oral statement concerning the Parties' rights to any compensation, equity, legal right, or benefit relating to this Development Agreement

i. No amendment or variation to the terms of this Development Agreement shall be valid unless made in writing and signed by the Parties.

EXHIBIT A
Blaine's Fourteenth Subdivision
Development Agreement

[Needs to be attached]

EXHIBIT B
Blaine's Fourteenth Subdivision
Development Agreement

[Needs to be attached]

AGREEMENT REGARDING
ENVIRONMENTAL CORRIDOR AND TRAIL EASEMENTS
FOR BLAINE'S FOURTEENTH SUBDIVISION

THIS AGREEMENT, made this ____ day of _____, 2020, by and between Tierra AKA Partnership (hereinafter referred to as "Developer") and the City of Kasson, a Minnesota municipal corporation (hereinafter referred to as "City").

WITNESSETH:

WHEREAS, Developer is the owner of certain real property situated within the City of Kasson, County of Dodge, State of Minnesota, legally described as:

See attached Exhibit A (hereinafter "Property")

WHEREAS, running through said property is Masten Creek, a natural waterway; and

WHEREAS, Developer and the City desire to limit development of and to preserve forever the natural setting of such waterway and lands immediately abutting said waterway, which lie within the following described parcel; to wit:

See attached Exhibit B (hereinafter "Environmental Corridor")

WHEREAS, the City desires to develop a twenty-foot wide non-motorized non-equestrian trail for recreational use within the Environmental Corridor for the benefit of the general public subject to the terms and conditions hereinafter contained; and

WHEREAS, Developer desires to grant to the City, and any government entity that may succeed and/or be assigned any portion of its interest, a non-exclusive easement over the Environmental Corridor for the benefit of the general public subject to the terms and conditions hereinafter contained; and

WHEREAS, as a condition of the approval of the final plat of Blaine's Fourteenth Subdivision, the City required that an environmental corridor and trail easement be dedicated to the City.

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, it is hereby agreed by and between the parties hereto, and their respective heirs, successors and assigns, as follows:

The term "general public" as herein used, shall mean all persons who are not owners or lawful possessors of the Property and who gain access from similar easement areas or corridors granted to the City for such passageway purposes and who intend to make use thereof for such purposes under the rules and regulations as may be established

from time to time by the City under its authority to own and administer a public easement.

I. Environmental Corridor.

1. Within the Environmental Corridor, no living natural vegetation, except noxious plants, shall be removed or disturbed without written approval of the City.
2. No grading or alteration of the natural terrain, exception alterations necessary to return the area to its natural state or as erosion control measures, shall take place without the written approval of the City.
3. No building, structure, fence, or improvement of any type, either permanent or temporary, shall be used, constructed, or located within the Environmental Corridor without the written approval of the City.
4. No storage of materials or equipment, motorized vehicles, trash, hazardous materials, nor scrap metal shall be allowed within the Environmental Corridor. Debris that impedes the natural flow of water shall be removed from the Environmental Corridor.
5. If in its sole discretion, the City finds that the Environmental Corridor is not maintained, the City may correct the condition five (5) business days after written notice of same to the owner by the City. If the City takes action to correct the condition, the cost shall be the responsibility of the owner. If unpaid, the City may specially assess the cost against the owner's property to be paid with property taxes pursuant to Minnesota Statute §429.101. The owner waives notice of hearing and hearing on the special assessment, consents to the City levying such an assessment against the property, and waives the right to appeal the levy of the assessment.
6. Said rights and restrictions herein described shall apply to future owners and lawful possessors. These rights and restrictions shall be appurtenant to the Property and may not be separated from ownership thereof.
7. The right of use by the general public of the Environmental Corridor and recreational trail lying therein shall not mature until the recreational trail is completed. However, this does not disallow the City from maintaining the area. Nor does it disallow the City from planning, surveying or developing the recreational trail outlined herein.
8. The City shall not permit the use thereof by the general public during hours which City parks are closed to the public.

II. Recreational Trail

1. The City shall, at its expense, be permitted to construct and maintain a twenty (20) foot wide recreational trail for use by the general public.
2. The right of use by the general public of the Environmental Corridor and recreational trail lying therein shall not mature until the recreational trail is completed.
3. Upon commencement of construction of the recreational trail, temporary construction easements are hereby granted over and across the Environmental Corridor as necessary to complete construction of the recreational trail.
4. The recreational trail shall be used for non-motorized and non-equestrian, recreational passage only and shall be open to the general public during hours which City parks are open to the public.
5. The use regulations of the recreational trail shall include the following:
 - i. Use limited to the hard-surfaced portion of the trail only.
 - ii. No shooting weapons of any kind.
 - iii. No destruction, cutting, trimming or removing of trees, shrubs, bushes or plants shall be permitted, except as provided herein.
 - iv. No dumping of ashes, trash, junk, rubbish, sawdust, garbage or offal.
6. Until such time as the trail is completed, the private owners of the Environmental Corridor shall be responsible for enforcement of its non-use. After the trail is completed, the City, in conjunction with the private owners of the Environmental Corridor, shall be responsible for enforcement of the use and non-use of the trail and Environmental Corridor.
7. Upon completion of the trail, the City shall assume liability for maintenance of the trail.

Any breach of the above restrictions, or any breach of any other portion of this Declaration, shall entitle the City to immediately obtain an injunction against the breaching party, its successors, heirs, agents, and assigns, including the owner of any portion of the Restricted Property, if such owner is the breaching party, and pursue all other remedies at law or in equity in the enforcement of same.

**BLAINE'S FOURTEENTH SUBDIVISION
PARKWAY CONSTRUCTION
PROMISSORY NOTE**

\$ _____

Date: _____

For Value Received, Tierra AKA Partnership ("Borrower"), promises to pay to the order of the City of Kasson ("Lender"), at 401 5th Street SE, Kasson, Minnesota 55944, or at such other location as Lender may direct, in lawful money of the United States of America, the principal amount of _____ Dollars (\$ _____), with interest at the Stated Rate (as defined below) computed on the principal balance of this Promissory Note outstanding from time to time. The principal balance and all accrued interest are fully due and payable on the Maturity Date (as defined below), unless sooner required under the terms hereof.

1. **Definitions.** The following terms have the following meanings wherever they are used in this Promissory Note:

- (a) "Borrower" means Tierra AKA Partnership.
- (b) "Lender" means the Lender named in the first paragraph and each subsequent holder or holders of this Promissory Note, and their respective heirs, personal representatives, successors and assigns.
- (c) "Loan" means all amounts advanced hereunder plus all interest, charges and fees due to Lender hereunder.
- (d) "Maturity Date" means _____.
- (e) "Stated Rate" means ___ % per annum.

2. **Payments.** Interest only on the unpaid principal balance at the Stated Rate shall be paid in annual installments commencing June 1, 2021.

3. **Application of Payments.** All payments and prepayments shall be applied first to any costs of collection, second to accrued interest on this Promissory Note, and third to principal.

4. **Prepayment.** This Promissory Note may be prepaid in full or in part at any time without premium or penalty. Prepayments shall apply to Borrower's indebtedness last incurred.

5. **Loan Documents; Security.** This Promissory Note is given as security required by the Blaine's Fourteenth Subdivision Development Agreement and is the Note referred to in the Blaine's Fourteenth Subdivision Parkway Construction Mortgage ("Loan Documents").

6. **Defaults.** If Borrower fails to pay any sum to Lender as and when the same becomes due, or breaches any provision contained herein or in any Loan Document, then Lender shall have, besides any and all other rights, remedies, and recourse available to Lender, the right and option to declare the unpaid principal balance and accrued interest on this Promissory Note immediately due and payable without notice, demand or presentment for payment to Borrower or others, and to foreclose all liens and security interests securing the payment of the same and to invoke all

rights, remedies, and recourse relating thereto. The remedies of Lender may be pursued singly, successively, or together, at the sole discretion of Lender, and may be exercised as often as occasion arises. No act of omission or commission of Lender, including any failure to exercise any right, remedy or recourse, shall be deemed a waiver or release of same, such waiver or releases to be effective only as set forth in a written document executed by Lender and then only to the extent specifically recited. A waiver or release for one event or occurrence shall not be construed as continuing as a bar to, or as a waiver or release of, any subsequent right, remedy, or recourse as to any subsequent event or occurrence.

7. **Lender's Costs.** If Lender engages outside legal counsel for advice to Lender regarding Lender's rights and remedies under, or enforcement of, this Promissory Note, Borrower shall pay all legal expenses incurred by Lender, irrespective of whether any suit or other proceeding has been or is filed or commenced. Any such expenses, costs and charges will constitute additional indebtedness of Borrower to Lender, payable upon demand, accruing interest at the time of such expenditure by Lender at the rate provided herein.

8. **Interest Limitation.** All agreements between Borrower and Lender are limited so that in no contingency or event (whether by acceleration of maturity of the indebtedness evidenced by this Promissory Note or otherwise) shall the amount paid or agreed to be paid to Lender for the Loan exceed the maximum permissible under applicable law. If, from any circumstances, fulfillment of any provisions of this Promissory Note or the other Loan Documents shall cause the interest to be paid to exceed the maximum permitted under applicable law, then the obligation to be fulfilled shall automatically be reduced to an amount that complies with applicable law. If, from any circumstances, Lender should ever receive as interest an amount that would exceed the highest lawful rate of interest, such amount over such lawful rate shall apply to the reduction of the principal balance of this Promissory Note and not to the payment of interest.

9. **Waivers.** Borrower waives presentment for payment, protest, notice of nonpayment, and notice of dishonor.

10. **Governing Law, Jurisdiction, and Venue.** This Promissory Note shall be governed by, interpreted, and enforced under the laws of the State of Minnesota, without giving effect to its conflict of laws provisions. Any litigation between the Parties shall be conducted exclusively in the state court in Dodge County, Minnesota, and any arbitration or similar proceeding shall be conducted exclusively at a location within such county and state. Each Party consents to the jurisdiction and venue of the courts described above.

BORROWER
Tierra AKA Partnership

Carter Blaine

Rosemary Blaine

STATE OF MINNESOTA)
) ss.
COUNTY OF DODGE)

The foregoing instrument was acknowledged before me this ____ day of _____, 2020,
by Carter Blaine on behalf of Tierra AKA Partnership.

Signature of Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF DODGE)

The foregoing instrument was acknowledged before me this ____ day of _____, 2020,
by Rosemary Blaine on behalf of Tierra AKA Partnership.

Signature of Notary Public

**BLAINE'S FOURTEENTH SUBDIVISION
PARKWAY CONSTRUCTION
MORTGAGE**

MORTGAGE REGISTRY TAX DUE HEREON: \$ _____

THIS INDENTURE is made this ____ day of _____, 2020, between Tierra AKA Partnership, located at 16 North Mantorville Avenue, P.O. Box 26, Kasson, Minnesota as "Mortgagor" or "Borrower," and the City of Kasson, located at 401 5th Street SE, Kasson, Minnesota as "Mortgagee" or "Lender."

In consideration of receipt of the sum of _____ Dollars (\$ _____) (the "Indebtedness") from Lender, Borrower hereby mortgages, with power of sale, the real property in Dodge County, Minnesota, legally described as follows:

Outlot B, Blaine's Fourteenth Subdivision, City of Kasson, Dodge County, Minnesota together with all hereditaments and appurtenances belonging thereto (the Property).

Borrower covenants with Lender as follows:

1. **Repayment of Indebtedness.** If Borrower (a) pays the Indebtedness to Lender according to the terms of the promissory note or other instrument of even date herewith that evidences the Indebtedness and all renewals, extensions, and modifications thereto (the "Note"), final payment of which is due on [**insert maturity date**]; (b) pays interest on the Indebtedness as provided in the Note; (c) repays to Lender, at the times and with interest as specified, all sums advanced in protecting the lien of this Mortgage, if any; and (d) keeps and performs all the covenants and agreements contained herein, then Borrower's obligations under this Mortgage will be satisfied, and Lender will deliver an executed satisfaction of this Mortgage to Borrower. It is Borrower's responsibility to record any satisfaction of this Mortgage at Borrower's expense.

2. **Statutory Covenants.** Borrower makes and includes in this Mortgage the following covenants and provisions set forth in Minn. Stat. 507.15, and the relevant statutory covenant equivalents contained therein are hereby incorporated by reference:

- (a) To warrant the title to the Property;
- (b) To pay the Indebtedness as herein provided;
- (c) To pay all taxes;
- (d) That the Property shall be kept in repair and no waste shall be committed;
- (e) To pay principal and interest on prior mortgages (if any).

3. **Additional Covenants and Agreements of Borrower.** Borrower makes the following additional covenants and agreements with Lender:

- (a) Borrower shall keep all buildings, improvements, and fixtures now or later located on all or any part of the Property (collectively, the "Improvements") insured against loss by fire, lightning, and such other perils as are included in a standard all-risk

endorsement, and against loss or damage by all other risks and hazards covered by a standard extended coverage insurance policy, including, without limitation, vandalism, malicious mischief, burglary, theft, and if applicable, steam boiler explosion. Such insurance shall be in an amount no less than the full replacement cost of the Improvements, without deduction for physical depreciation. If any of the Improvements are located in a federally designated flood prone area, and if flood insurance is available for that area, Borrower shall procure and maintain flood insurance in amounts reasonably satisfactory to Lender. Borrower shall procure and maintain liability insurance against claims for bodily injury, death, and property damage occurring on or about the Property in amounts reasonably satisfactory to Lender and naming Lender as an additional insured, all for the protection of the Lender.

(b) Each insurance policy required pursuant to Paragraph 3(a) must contain provisions in favor of Lender affording all right and privileges customarily provided under the so-called standard mortgagee clause. Each policy must be issued by an insurance company or companies licensed to do business in Minnesota and acceptable to Lender. Each policy must provide for not less than ten (10) days written notice to Lender before cancellation, non-renewal, termination, or change in coverage. Borrower will deliver to Lender a duplicate original or certificate of such insurance policies and of all renewals and modifications of such policies.

(c) If the Property is damaged by fire or other casualty, Borrower must promptly give notice of such damage to Lender and the insurance company. In such event, the insurance proceeds paid on account of such damage will be applied to payment of the amounts owed by Borrower pursuant to the Note, even if such amounts are not otherwise then due, unless Borrower is permitted to make an election as described in the next paragraph. Such amounts first will be applied to unpaid accrued interest and next to the principal to be paid as provided in the Note in the inverse order of their maturity. Such payment(s) will not postpone the due date of the installments to be paid pursuant to the Note or change the amount of such installments. The balance of insurance proceeds, if any, will be the property of Borrower.

(d) Notwithstanding the provisions of Paragraph 3(c), and unless otherwise agreed by Borrower and Lender in writing, if (i) Borrower is not in default under this Mortgage (or after Borrower has cured any such default); (ii) the mortgagees under any prior mortgages do not require otherwise; and (iii) such damage does not exceed ten percent (10%) of the then assessed market value of the Improvements, then Borrower may elect to have that portion of such insurance proceeds necessary to repair, replace, or restore the damaged Property (the "Repairs") deposited in escrow with a bank or title insurance company qualified to do business in Minnesota, or such other party as may be mutually agreeable to Lender and Borrower. The election may only be made by written notice to Lender within sixty (60) days after the damage occurs; and the election will only be permitted if the plans, specifications, and contracts for the Repairs are approved by Lender, which approval shall not be unreasonably withheld, conditioned, or delayed. If such a permitted election is made by Borrower, Lender and Borrower shall jointly deposit the insurance proceeds into escrow when paid. If such insurance proceeds are insufficient for the Repairs, Borrower shall, before the commencement of the Repairs, deposit into such escrow sufficient additional money to insure the full payment for the Repairs. Even if the insurance proceeds are unavailable or are insufficient to pay the cost of the Repairs,

Borrower shall at all times be responsible to pay the full cost of the Repairs. All escrowed funds shall be disbursed in accordance with sound, generally accepted, construction disbursement procedures. The costs incurred or to be incurred on account of such escrow shall be deposited by Borrower into such escrow before the commencement of the Repairs. Borrower shall complete the Repairs as soon as reasonably possible and in a good and workmanlike manner, and in any event the Repairs shall be completed by Borrower within one (1) year after the damage occurs. If, following the completion of and payment for the Repairs, there remains any undisbursed escrow funds, such funds shall be applied to payment of the amounts owed by Borrower under the Note in accordance with Paragraph 3(c).

(e) If all or any part of the Property is taken in condemnation proceedings instituted under power of eminent domain or is conveyed in lieu thereof under threat of condemnation, the money paid pursuant to such condemnation or conveyance in lieu thereof must be applied to payment of the amounts due by Borrower to Lender under the Note as set forth in Paragraph 3(c), even if such amounts are not then due to be paid.

(f) Borrower will diligently complete all Improvements, if any, that may now or hereafter be under construction on the Property.

(g) Borrower will pay all dues, fees, or assessments, if any, which are due and payable by Borrower to any homeowners or similar association as a result of the Property's inclusion therein.

(h) Borrower will pay any other expenses and attorneys' fees incurred by Lender pursuant to the Note or as reasonably required for the protection of the lien of this Mortgage.

4. Payment by Lender. If Borrower fails to pay any amounts to be paid hereunder to Lender or any third parties, or to insure the Improvements, and deliver the policies as required herein, Lender may make such payments or secure such insurance. The sums so paid shall be additional Indebtedness, bear interest from the date of such payment at the same rate set forth in the Note, be an additional lien upon the Property, and be immediately due and payable upon written demand. This Mortgage secures the repayment of such advances.

5. Default. In case of default (i) in the payment of sums to be paid under the Note or this Mortgage, when the same becomes due, (ii) in any of the covenants set forth in this Mortgage, (iii) under the terms of the Note, or (iv) under any addendum attached to this Mortgage, Lender may declare the unpaid balance of the Note and the interest accrued thereon, together with all sums advanced hereunder, immediately due and payable without notice, and Borrower hereby authorizes and empowers Lender to foreclose this Mortgage by judicial proceedings or to sell the Property at public auction and convey the same in fee simple in accordance with Minn. Stat. Ch. 580, and out of the monies arising from such sale, to retain all sums secured hereby, with interest and all legal costs and charges of such foreclosure and the maximum attorneys' fees permitted by law, which costs, charges, and fees Borrower agrees to pay.

6. Governing Law; Severability. This Mortgage shall be governed by the laws of Minnesota. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision.

7. **Additional Terms.** Terms of this Mortgage will run with the Property and bind the parties hereto and their successors in interest.

IN WITNESS WHEREOF, Mortgagor has hereunto set its hand the day and year first above-written.

MORTGAGOR
Tierra AKA Partnership

Carter Blaine

Rosemary Blaine

STATE OF MINNESOTA)
) ss.
COUNTY OF DODGE)

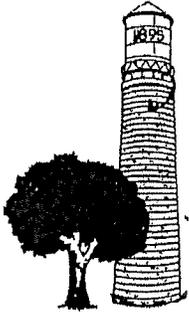
The foregoing instrument was acknowledged before me this ____ day of _____, 2020, by Carter Blaine on behalf of Tierra AKA Partnership.

Signature of Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF DODGE)

The foregoing instrument was acknowledged before me this ____ day of _____, 2020, by Rosemary Blaine on behalf of Tierra AKA Partnership.

Signature of Notary Public



TREE
CITY
USA

CITY OF KASSON

401 FIFTH STREET SE
KASSON, MINNESOTA 55944-2204
PHONE: (507) 634-7071
FAX: (507) 634-4737

MEMO

To: Mayor McKern and City Councilmembers
From: Nancy Zaworski
Date: May 8, 2020
Re: Estimate of Summer Electric Rate Savings

For your consideration, Council had requested at the April 22nd meeting the estimated calculation of electric savings if the summer rates were not instituted.

The difference between rates was calculated using May through September 2018 and May through September 2019 (the months the "summer" rates are in effect).

The information is summarized on the attached.

Summer Electric

June to September 2018 and June to September 2019 = 8 months

	Residential	All Electric	Sm Commercial	Lg Commercial	Lg Commercial Demand
Total \$	-\$217,991.24	-\$2,720.75	-\$46,586.42	-\$36,607.96	-\$63,357.60
Avg/Month	-\$27,248.90	-\$340.09	-\$5,823.30	-\$4,575.99	-\$7,919.70
Total					-\$45,908.00
Avg/Cust/Mo	-\$11.80	-\$8.95	-\$27.34	-\$198.96	-\$255.47

Average \$ per year (over the 4 months)

-\$183,631.98

ORDINANCE #876
CITY OF KASSON

**AN ORDINANCE OF THE CITY OF KASSON GRANTING A FRANCHISE
TO KASSON & MANTORVILLE TELEPHONE COMPANY DBA KMTELECOM FOR
THE CONSTRUCTION AND OPERATION OF A CABLE SYSTEM**

The City Council of Kasson, having determined that the financial, legal and technical ability of Kasson & Mantorville Telephone Company dba KMTelecom is reasonably sufficient to provide services, facilities and equipment necessary to meet the future cable-related needs of the community, does hereby ordain as follows:

SECTION I
Definition of Terms

1.1 Terms. For the purpose of this Ordinance, the following terms, phrases, words and abbreviations shall have the meanings ascribed to them below. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number.

- a. “Affiliate” means an entity which owns or controls, is owned or controlled by, or is under common ownership with Grantee.
- b. “Basic Cable Service” is the tier of service regularly provided to all Subscribers that includes the retransmission of local broadcast television signals.
- c. “Cable Act” means the Cable Communications Policy Act of 1984, as amended.
- d. “Cable Service” means (i) the one-way transmission to Subscribers of video programming or other programming service, and (ii) subscriber interaction, if any, which is required for the selection of such Video Programming or any other lawful communication service.
- e. “Cable System” means a facility, consisting of a set of closed transmission paths and associated signal generation, reception and control equipment or other communications equipment that is designed to provide Cable Service and other service to Subscribers.
- f. “Class IV Cable Communications Channel” means a signaling path provided by a cable communications system to transmit signals of any type from a Subscriber terminal to another point in the communications system.
- g. “FCC” means Federal Communications Commission, or successor governmental entity thereto.
- h. “Franchise” shall mean the initial authorization, or renewal thereof, issued by the Franchising Authority, whether such authorization is designated as a Franchise, permit, license, resolution, contract, certificate or otherwise, which authorizes

construction and operation of the Cable System for the purpose of offering Cable Service or other service to Subscribers.

- i. “Franchising Authority” means the City of Kasson, or the lawful successor, transferee or assignee thereof.
- j. “Grantee” means Kasson & Mantorville Telephone Company dba KMTelecom or the lawful successor, transferee or assignee thereof.
- k. “Gross Revenues” shall mean all revenue received by the Grantee from the operation of its cable system within the City, including but not limited to, basic cable subscriber receipts; premium and pay-per-view receipts; a la carte receipts; local advertising revenue; leased access fees and other revenue upon which a franchise fee may be paid pursuant to the Cable Communications Policy Act of 1984, as amended from time to time. Gross receipts shall not include revenues derived from installations or any taxes on cable service which are imposed directly or indirectly on any Subscriber thereof by any government unit or agency; and which are collected by the Grantee on behalf of such government unit or agency; franchise fees collected on behalf of the franchising authority; or any fees paid to the Grantee by the franchise authority for the collection of any State or municipal tax. Gross revenues, for the purpose of this franchise agreement, shall not include any revenues received by Grantee from any telephone service, common carrier services regulated by the authority of the state, or other non-cable television services provided by the Grantee. Gross revenue shall not include bad debt.
- l. “Person” means an individual, partnership, association, joint stock company, trust, corporation or governmental entity.
- m. “Public Way” shall mean the surface of, and the space above and below, any public street, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, parkway, way, lane, public way, drive, circle or other public right-of-way, including, but not limited to, public utility easements, dedicated utility strips, or rights-of-way dedicated for compatible uses and any temporary or permanent fixtures or improvements located thereon now or hereafter held by the Franchising Authority in the Service Area which shall entitle the Franchising Authority and the Grantee to the use thereof for the purpose of installing, operating, repairing and maintaining the Cable System. Public Way shall also mean any easement now or hereafter held by the Franchising Authority within the Service Area for the purpose of public travel, or for utility or public service use dedicated for compatible uses, and shall include other easements or rights-of-way as shall within their proper use and meaning entitle the Franchising Authority and the Grantee to the use thereof for the purpose of installing or transmitting Grantee’s Cable Service or other service over poles, wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, attachments and other property as may be ordinarily necessary and pertinent to the Cable System.

- n. “Service Area” means the present municipal boundaries of the Franchising Authority and shall include any additions thereto by annexation or other legal means.
- o. “Service Tier” means a category of Cable Service or other services provided by Grantee and for which a separate charge is made by Grantee.
- p. “Subscriber” means a person or user of the Cable System who lawfully receives Cable Services or other service therefrom with Grantee’s express permission.
- q. “Video Programming” means programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

SECTION II Grant of Franchise

2.1 Finding of Council. During full public proceeding affording reasonable notice and reasonable opportunity to be heard, the Grantee’s technical ability, financial condition and legal qualifications were considered and approved by the Franchising Authority pursuant to state law.

2.2 Grant. The Franchising Authority hereby grants to Grantee a non-exclusive Franchise which authorizes the Grantee to construct and operate a Cable System and offer Cable Service and other services in, along, among, upon, across, above, over, under or in any manner connected with Public Ways within the Service Area and for that purpose to erect, install, construct, repair, replace, reconstruct, maintain, or retain in, on, over, under, upon, across or along any Public Way an all extensions thereof and additions thereto, such poles, wires, cables, conductors, ducts, conduits, vaults, manholes, pedestals, amplifiers, appliances, attachments and other related property or equipment as may be necessary or appurtenant to the Cable System.

2.3 Term. The Franchise granted pursuant to this Ordinance shall be for an initial term of fifteen (15) years from the effective date of the Franchise as set forth in Section 2.4, unless otherwise lawfully terminated in accordance with the terms of this Ordinance.

2.4 Acceptance; Effective Date. Grantee shall accept the Franchise granted pursuant hereto by signing this Ordinance and filing same with the Franchise Authority Clerk or other appropriate official or agency of the Franchising Authority within sixty (60) days after the passage and final adoption of this Ordinance. Subject to the acceptance by Grantee, the effective date of this Ordinance shall be the sixtieth day after its passage and final adoption.

2.5 Equal Protection. In the event the Franchising Authority enters into a Franchise, permit license, authorization or other agreement of any kind with any other person or entity other than the Grantee to enter into the Franchising Authority’s streets and Public Ways for the purpose of constructing or operating a Cable System or providing Cable Service to any part of the Service Area, the material provisions thereof shall be reasonably comparable to those contained herein, in order that one operator not be granted an unfair competitive advantage over another and to provide all parties equal protection under the law.

2.6 Compliance with Law and Regulations. The provisions of this franchise shall be subject to applicable federal, state and local law. This Franchise complies with the Franchise standards contained in Minnesota Statutes Annotated (M.S.A.), Chapter 238; provided, however, if any provisions of M.S.A. 238 conflict with the Cable Communications Act of 1984 (“Cable Act”) or other applicable federal law or rulings, the provisions of the Cable Act or such other federal law or ruling shall have precedence. Grantee and the Franchising Authority shall conform to all state laws, rules and regulations regarding cable communications not later than one (1) year after they become effective, unless otherwise stated, and shall further conform to all federal laws and regulations regarding cable as they become effective.

SECTION III Standards of Service

3.1 Construction Standards. Grantee shall not commence construction of a cable communications system, open or disturb the surface of any street, sidewalk, driveway or public place without first obtaining a permit from the proper municipal authority. If Grantee fails to meet the conditions of the permit, the Franchising Authority shall have the right to put the street or public place back into the condition which existed immediately prior to use by the Grantee at the reasonable expense of the Grantee. Such permit shall not be unreasonably withheld.

All wires, conduits, cable and other property and facilities of the Grantee shall be located, constructed, installed and maintained in compliance with applicable codes. The Grantee shall keep and maintain all of its property so as not to unnecessarily interfere with the usual and customary trade, traffic and travel upon the streets and public places of the Franchise area or endanger the life or property of any persons.

3.2 Conditions of Street Occupancy. All transmission and distribution structures, poles, other lines and equipment installed or erected by the Grantee pursuant to the terms hereof shall be located so as to cause a minimum of interference with the proper use of Public Ways and with the rights and reasonable convenience of property owners who own property that adjoins any of said Public Ways.

3.3 Restoration of Public Ways. If during the course of Grantee’s construction, operation or maintenance of the Cable System there occurs a disturbance of any Public Way by Grantee, it shall, at its expense, replace and restore such Public Way to a condition reasonably comparable to the condition of the Public Way existing immediately prior to such disturbance.

3.4 Relocation at Request of Franchising Authority. Upon its receipt of reasonable advance notice, not to be less than ten (10) business days, the Grantee shall, at its own expense, protect, support, temporarily disconnect, relocate in the Public Way, or remove from the Public Way, any property of the Grantee when lawfully required by Franchising Authority by reason of traffic conditions, public safety, street abandonment, freeway and street construction, change or establishment of street grade, installation of sewers, drains, gas or water pipes, or any other type of structures or improvements by the Franchising Authority; but, the Grantee shall in all cases have the right of abandonment of its property. If public funds are available to any company using such street, easement, or right-of-way for the purpose of defraying the cost of any of the foregoing, such funds shall also be made available to the Grantee.

3.5 Relocation at Request of Third Party. The Grantee shall, on the request of any person holding a building moving permit issued by the Franchising Authority, temporarily raise or lower its wires to permit the moving of such building, provided: (a) the expense of such temporary raising or lowering of wires is paid by said person, including, if required by the Grantee, making such payment in advance; and (b) the Grantee is given not less than ten (10) business days advance written notice to arrange for such temporary wire changes.

3.6 Trimming of Trees and Shrubbery. The Grantee shall have the authority to trim trees or other natural growth overhanging any of its Cable System in the Service Area so as to prevent branches from coming in contact with the Grantee's wires, cables or other equipment. Grantee shall be permitted to charge persons who own, or are responsible for, such trees or natural growth for the cost of such trimming, provided that similar charges are assessed by and paid to the utilities or the Franchising Authority for tree trimming. The Grantee shall reasonably compensate the Franchising Authority or property owner for any damages caused by such trimming, or shall, in its sole discretion and at its own cost and expense, reasonably replace all trees or shrubs damaged as a result of any construction of the Cable System undertaken by Grantee. Such replacement shall satisfy any and all obligations Grantee may have to the Franchising Authority or property owner pursuant to the terms of this section.

3.7 Use of Grantee's Equipment by Franchising Authority. Subject to any applicable state or federal regulations or tariffs, the Franchising Authority shall have the right to make additional use, for any public purpose, of any poles or conduits controlled or maintained exclusively by or for the Grantee in any Public Way; provided that (a) such use by the Franchising Authority does not interfere with a current or future use by the Grantee; (b) the Franchising Authority holds the Grantee harmless against and from all claims, demands, costs, or liabilities of every kind and nature whatsoever arising out of such use of said poles or conduits, including but not limited to, reasonable attorney's fees and costs; and (c) at Grantee's sole discretion, the Franchising Authority may be required either to pay a reasonable rental fee or otherwise reasonably compensate Grantee for the use of such poles, conduits, or equipment; provided, however, that Grantee agrees that such compensation or charge shall not exceed those paid by it to public utilities pursuant to the applicable pole attachment agreement, or other authorization, relating to the Service Area.

3.8 Safety Requirements. Construction, installation and maintenance of the Cable System shall be performed in an orderly and workmanlike manner. All such work shall be performed in substantial accordance with applicable FCC or other federal, state and local regulations. The Cable System shall not unreasonably endanger or interfere with the safety of persons or property in the Service Area.

3.9 Aerial and Underground Construction. In those areas of the Service Area where all of the transmission or distribution facilities of the respective public utilities providing telephone communications and electric services are underground, the Grantee likewise shall construct, operate and maintain all of its transmission and distribution facilities underground; provided that such facilities are actually capable of receiving Grantee's cable and other equipment without technical degradation of the Cable System's signal quality. In those areas of the Service Area where the transmission or distribution facilities of the respective public utilities providing telephone communications and electric services are both aerial and underground, Grantee shall have the sole discretion to construct, operate and maintain all of its transmission

and distribution facilities or any part thereof, aerially or underground. Nothing contained in this section shall require Grantee to construct, operate and maintain underground any ground-mounted appurtenances such as subscriber taps, line extenders, system passive devices (splitters, directional couplers), amplifiers, power supplies, pedestals or other related equipment. Notwithstanding anything to the contrary contained in this section, in the event that all of the transmission or distribution facilities of the respective public utilities providing telephone communications and electric services are placed underground after the effective date of this Ordinance, Grantee shall only be required to construct, operate and maintain all of its transmission and distribution facilities underground if it is given reasonable notice and access to the public utilities' facilities at the time that such are placed underground.

3.10 Required Extensions of Service. The Cable System as constructed as of the date of the passage and final adoption of this Ordinance substantially complies with the material provisions hereof. Grantee is hereby authorized to extend the Cable System as necessary, as desirable, or as required pursuant to the terms hereof within the Service Area. Whenever Grantee shall receive a request for service from at least fifteen (15) Subscribers within 1,320 cable-bearing strand feet (one-quarter cable mile) of its trunk or distribution cable, it shall extend its Cable System to such Subscribers at no cost to said Subscribers for system extension, other than the usual connection fees for all Subscribers, provided that such extension is technically feasible, and if it will not adversely affect the operation, financial condition or market development of the Cable System, or as provided for under Section 3.11 of this Ordinance.

3.11 Subscriber Charges for Extensions of Service. No Subscriber shall be refused service arbitrarily. However, for unusual circumstances, such as a Subscriber's request to locate his cable drop underground, existence of more than one hundred twenty-five (125) feet of distance from distribution cable to connection of service to Subscribers, or a density of less than fifteen (15) Subscribers per 1,320 cable-bearing strand feet of trunk or distribution cable, Cable Service or other service may be made available on the basis of a capital contribution in aid of construction, including cost of material, labor and easements. For the purpose of determining the amount of capital contribution in aid of construction to be borne by Grantee and Subscribers in the area in which Cable Service may be expanded, Grantee will contribute an amount equal to the construction and other costs per mile, multiplied by a fraction whose numerator equals the actual number of potential Subscribers per 1,320 cable-bearing strand feet of its trunk or distribution cable, and whose denominator equals fifteen (15) Subscribers. Potential Subscribers will bear the remainder of the construction and other costs on a pro rata basis. Grantee may require that the payment of the capital contribution in aid of construction borne by such potential Subscribers be paid in advance.

3.12 Service to Public Buildings. The Grantee shall install and provide without charge, one (1) outlet of Basic Service to two (2) public buildings, within the cable service area, to be designated by the Kasson City Council. Additional buildings and facilities, passed by the Grantee's Cable System, shall be installed and serviced at the Grantee's standard charge for installation and Grantee's lowest bulk billing service charge for basic service.

The outlet(s) of Basic Cable Service shall not be used to distribute or sell Cable Services in or throughout such buildings; nor shall such outlets be located in common or public areas open to the public. Users of such outlets shall hold Grantee harmless from any and all liability arising out of their use of such outlets, including but not limited to, those arising from copyright

liability. Notwithstanding anything to the contrary set forth in this section, the Grantee shall not be required to provide an outlet to such buildings where the drop line from the feeder cable to said buildings or premises exceeds one hundred twenty-five (125) cable feet, unless it is technically feasible and so long as it will not adversely affect the operation, financial condition, or market development of the Cable System to do so, or unless the appropriate governmental entity agrees to pay the incremental cost of such drop line in excess of 125 cable feet. In the event that additional outlets of Basic Cable Service are provided to such buildings, the building owner shall pay the usual installation fees associated therewith, including, but not limited to, labor and materials. Upon request of Grantee, the building owner may also be required to pay the service fees associated with the provision of Basic Cable Service and the additional outlets relating thereto.

3.13 Emergency Override. In the case of any emergency or disaster, the Grantee shall, upon request of the Franchising Authority, make available its facilities for the Franchising Authority to provide emergency information and instructions during the emergency or disaster period. The Franchising Authority shall hold the Grantee, its agents, employees, officers and assigns hereunder, harmless from any claims arising out of the emergency use of its facilities by the Franchising Authority, including, but not limited to, reasonable attorney's fees and costs.

3.14 Channel Capacity. The Grantee shall provide a Cable System with a channel capacity of fifty-four (54) channels available for immediate or potential use.

3.15 Public, Educational and Governmental Access Channel. The Grantee shall provide to each of its Subscribers who receive all, or any part of, the total services offered on the Cable System, reception on at least one specially designated access channel available for use by the general public on a first-come, first-served, nondiscriminatory basis. During those hours that the specially designated access channel is not being used by the general public, local educational authorities and local government may use this specially designated access channel on a first-come, first-served nondiscriminatory basis. During those hours that the specially designated channel is not being used by the general public, local educational authorities or local government, the Grantee shall lease time to commercial or noncommercial users on a first-come, first-served nondiscriminatory basis. The Grantee may use the specially designated access channel for local origination during those hours when the channel is not in use by the general public, local educational authorities, local government or commercial or noncommercial users who have leased time.

Whenever such specially designated access channel is in use during eighty percent (80%) of the weekdays, Monday through Friday, for eighty percent (80%) of the time during any consecutive three-hour period for six (6) consecutive weeks, Grantee shall provide upon demand and within a six-month period, an additional channel or channels for public, educational, or governmental access, provided such additional channel or channels do not require the cable system to install converters.

Upon need being shown, Grantee shall provide for use by the public at least the minimal equipment necessary to perform good quality playback of pre-recorded programming and to enable recording of programs at remote locations with the use of portable battery-operated equipment. For the purpose of this provision, need is established when at least ten percent (10%) of the Subscribers of the Cable System have signed a petition; provided, however, such petition

must contain the signatures of no fewer than one hundred (100) Subscribers and no more than three hundred fifty (350) Subscribers.

The Grantee shall establish rules for the administration of the specially designated access channel.

3.16 Two-Way System. Grantee shall provide a cable communications system having the technical capacity for non-voice return communications.

SECTION IV Regulation by Franchising Authority

4.1 Franchise Fee.

A. Grantee shall pay to the Franchising Authority, **during years one through fifteen of the Franchise**, a Franchise fee equal to five percent (5%) of Gross Revenues; (as defined in Section 1.1 of the Franchise Agreement) received by Grantee from the operation of the Cable System on an annual basis; provided, however, that Grantee may credit against any such payments: (i) any tax, fee or assessment of any kind imposed by Franchising Authority or other governmental entity of a cable operator, or Subscriber, or both solely because of his status as such; (ii) any tax, fee or assessment of general applicability which is unduly discriminatory against cable operators or Subscribers (including any such tax, fee or assessment imposed, both on utilities and cable operators and their services), and (iii) any other special tax, fee or assessment such as a business, occupation and entertainment tax. For the purpose of this section, the 12-month period applicable under the Franchise for the computation of the Franchise fee shall be the calendar year, unless otherwise agreed to in writing by the Franchising Authority and Grantee. The Franchise fee payment shall be due and payable ninety (90) days after the close of the preceding calendar year. Each payment shall be accompanied by a brief report from a representative of Grantee showing the basis for the computation. **In no event shall the Franchise fee payments required to be paid by Grantee exceed five percent (5%) of Gross Revenues received by Grantee in any 12-month period, unless the FCC and Federal Government adjusts the legal amount that may be received. If so, the Franchising Authority may require a revision of the percentage fee receivable any time after year 5 of the agreement.**

B. The period of limitation for recovery of any Franchise fee payable hereunder shall be five (5) years from the date on which payment by the Grantee is due. Unless within five (5) years from and after said payment due date the Franchising Authority initiates a lawsuit for recovery of such Franchise fee in a court of competent jurisdiction, such recovery shall be barred, and the Franchising Authority shall be estopped from asserting any claims whatsoever against the Grantee relating to any such alleged deficiencies.

4.2 Rates and Charges. The Franchising Authority may not regulate the rates for the provision of Cable Service and other services, including, but not limited to, the Cable Act and FCC Rules and Regulations relating thereto. From time to time, and at any time, Grantee has the right to modify its rates and charges including, but not limited to, the implementation of additional charges and rates; provided, however, that Grantee shall give notice to the Franchising Authority of any such modifications or additional charges thirty (30) days prior to the effective date thereof.

In the event that Basic Cable Service rate increases are subject to approval of the Franchising Authority, the Grantee may, at its discretion and without consent of the Franchising Authority, increase rates relating to the provision of Basic Cable Service by an amount which is at least equal to five percent (5%) per year.

A schedule of the current Subscriber charges, as well as the form of residential Subscriber contract, specifying the current length and term of subscriber contracts, shall be kept on file and available for public inspection during normal office hours at the local office of Grantee.

4.3 Renewal of Franchise. The Franchising Authority and the Grantee agree that any proceedings undertaken by the Franchising Authority that relate to the renewal of the Grantee's Franchise shall be governed by and comply with the provisions of Section 626 of the Cable Act (as such existed as of the effective date of the Cable Act), unless the procedures and substantive protections set forth therein shall be deemed to be preempted and superseded by the provisions of any subsequent provision of federal or state law.

In addition to the procedures set forth in said Section 626(a), the Franchising Authority agrees to notify Grantee of its preliminary assessments regarding the identity of future cable-related community needs and interests, as well as the past performance of Grantee under the then current Franchise term. The Franchising Authority further agrees that such a preliminary assessment shall be provided to the Grantee prior to the time that the four (4) month period referred to in Subsection (c) of Section 626 is considered to begin. Notwithstanding anything to the contrary set forth in this section, the Grantee and Franchising Authority agree that at any time during the term of the then current Franchise, while affording the public appropriate notice and opportunity to comment, the Franchising Authority and Grantee may agree to undertake and finalize negotiations regarding renewal of the then current Franchise and the Franchising Authority may grant a renewal thereof. The Grantee and the Franchising Authority consider the terms set forth in this section to be consistent with the express provisions of Section 626 of the Cable Act.

4.4 Abandonment. The Grantee shall not abandon any portion of its Cable System without giving three (3) months prior written notice to the Franchising Authority. Grantee shall compensate the Franchising Authority for any damages resulting to it from the abandonment.

4.5 Conditions of Sale. Except to the extent expressly required by federal or state law, if a renewal or extension of Grantee's Franchise is denied or the Franchise is lawfully terminated, and the Franchising Authority either lawfully acquires ownership of the Cable System or by its actions lawfully effects a transfer of ownership of the Cable System to another party, any such acquisition or transfer shall be at a fair market value, determined on the basis of the Cable System valued as a going concern.

If the Franchise or cable system is offered for sale, the Franchising Authority shall also have the right to purchase the system at its fair market value.

Grantee and Franchising Authority agree that in the case of a lawful revocation of the Franchise, at Grantee's request, which shall be made in its sole discretion, Grantee shall be given

a reasonable opportunity to effectuate a transfer of its Cable System to a qualified third party. The Franchising Authority further agrees that during such a period of time, it shall authorize the Grantee to continue to operate pursuant to the terms of its prior Franchise; however, in no event shall such authorization exceed a period of time greater than six (6) months from the effective date of such revocation. If, at the end of that time, Grantee is unsuccessful in procuring a qualified transferee or assignee of its Cable System which is reasonably acceptable to the Franchising Authority, Grantee and Franchising Authority may avail themselves of any rights they may have pursuant to federal or state law; it being further agreed that Grantee's continued operation of its Cable System during the six (6) month period shall not be deemed to be a waiver, nor an extinguishment of, any rights of either the Franchising Authority or the Grantee. Notwithstanding anything to the contrary set forth in this section, neither Franchising Authority nor Grantee shall be required to violate federal or state law.

4.6 Removal of Property. Upon termination or forfeiture of this Franchise, Grantee shall, if the Franchising Authority so requests, remove all of its cables, wires and appliances from the streets, alleys, and other public places, with the exception of those portions of said cables, wires and appliances as are then being utilized and operated by Grantee under any other lawful and effective governmental permit or license. If the same are not so removed, the Franchising Authority may cause the same to be removed and recover the reasonable costs thereof from Grantee.

4.7 Transfer of Franchise. Neither Grantee's right, title or interest in this Franchise, nor the Cable System for which it is granted, shall be sold, transferred, assigned, or otherwise encumbered, other than to an Affiliate, except with the approval of the Franchising Authority, which approval shall not be unreasonably withheld. Such sale or transfer or creation of a new controlling interest shall be completed pursuant to applicable federal and state law. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, or by assignment of any rights, title, or interest of Grantee in the Franchise or Cable System in order to secure indebtedness.

4.8 Continuing Administration Responsibility. The office of the City Clerk shall be responsible for the continuing administration of this Franchise.

SECTION V Compliance and Monitoring

5.1 Testing for Compliance. The Franchising Authority may perform technical tests of the Cable System during reasonable times and in a manner which does not unreasonably interfere with the normal business operations of the Grantee or the Cable System in order to determine whether or not the Grantee is in compliance with the terms hereof and applicable state or federal laws. Except in emergency circumstances, such tests may be undertaken only after giving Grantee reasonable notice thereof, not be less than two (2) business days, and providing a representative of Grantee an opportunity to be present during such tests. In the event that such testing demonstrates that the Grantee has substantially failed to comply with a material requirement hereof, the reasonable costs of such tests shall be borne by the Grantee. In the event that such testing demonstrates that Grantee has substantially complied with such material provisions hereof, the cost of such testing shall be borne by the Franchising Authority. Except in emergency circumstances, the Franchising Authority agrees that such testing shall be undertaken

no more than two (2) times a year in the aggregate, and that the results thereof shall be made available to the Grantee upon Grantee's request.

5.2 Technical Standards. The technical standards promulgated by the FCC relating to cable communications systems contained in Subpart K of Part 76 of FCC rules and regulations are herein incorporated by reference.

5.3 Books and Records. The Grantee agrees that the Franchising Authority, upon reasonable notice, may review such of its books and records, during normal business hours and on a nondisruptive basis, as are reasonably necessary to monitor compliance with the terms hereof. Such records shall include, but shall not be limited to, any public records required to be kept by the Grantee pursuant to the rules and regulations of the FCC. The Grantee shall file with the Franchising Authority annually reports of gross Subscriber revenues and such other information as the Franchising Authority reasonably deems necessary for enforcement of the Franchise. Notwithstanding anything to the contrary set forth herein, Grantee shall not be required to disclose information which it reasonably deems to be proprietary or confidential in nature. The Franchising Authority agrees to treat any information disclosed by the Grantee to it as confidential and only disclose it to employees, representatives, and agents thereof that have a need to know, or in order to enforce the provisions hereof.

SECTION VI

Insurance, Indemnification and Bonds or Other Surety

6.1 Insurance Requirements. Grantee shall maintain in full force and effect, at its own cost and expense, during the term of the Franchise, Comprehensive General Liability Insurance in the amount of **\$2,000,000** combined single limit for bodily injury and property damage. Said insurance shall designate the Franchising Authority as an additional insured. Such insurance shall be non-cancelable except upon thirty (30) days prior written notice to the Franchising Authority.

6.2 Indemnification. The Grantee agrees to indemnify, save and hold harmless, and defend the Franchising Authority, its officers, boards and employees, from and against any liability for damage or bodily injury (including accidental death), which arise out of the Grantee's construction, operation, or maintenance of its Cable System, including, but not limited to, reasonable attorney's fees and costs; provided, however, that nothing contained in this Franchise Ordinance shall relieve any person from liability arising out of the failure to exercise reasonable care to avoid injury to the Grantee's facilities while performing any work connected with grading, regarding or changing the line of any street or public place, or with the construction or reconstruction of any sewer or water system.

6.3 Surety Guarantee. At all times hereunder until the Grantee has liquidated all of its obligations under the Franchise to the Franchising Authority, the Grantee shall furnish a bond or other surety in the amount of **\$20,000**, conditioned upon the faithful performance by the Grantee of its material obligations under this Franchise. The Franchising Authority may, from year to year and in its sole discretion, reduce the amount of any such bond or other surety.

SECTION VII
Enforcement and Termination of Franchise

7.1 Notice of Violation. In the event that the Franchising Authority believes that the Grantee has not complied with the terms of the Franchise, it shall notify Grantee in writing of the exact nature of the alleged noncompliance.

7.2 Grantee's Right to Cure or Respond. Grantee shall have thirty (30) days from receipt of the notice described in Section 7.1: (a) to respond to the Franchising Authority contesting the assertion of noncompliance or; (b) to cure such default or; (c) in the event that, by the nature of default, such default cannot be cured within the thirty (30) day period, initiate reasonable steps to remedy such default and notify the Franchising Authority of the steps being taken and the projected date that they will be completed.

7.3 Public Hearing. In the event that Grantee fails to respond to the notice described in Section 7.1 pursuant to the procedures set forth in Section 7.2, or in the event that the alleged default is not remedied within sixty (60) days after the Grantee is notified of the alleged default pursuant to Section 7.1, the Franchising Authority shall schedule a public meeting to investigate the default. Such public meeting shall be held at the next regularly scheduled meeting of the Franchising Authority which is scheduled at a time which is no less than five (5) business days therefrom. The Franchising Authority shall notify the Grantee of the time and place of such meeting and provide the Grantee with an opportunity to be heard.

7.4 Enforcement. Subject to applicable federal and state law, in the event the Franchising Authority, after such meeting, determines that Grantee is in default of any provision of the Franchise, the Franchising Authority may:

- a. Foreclose on all or any part of any security provided under this Franchise, if any, including with limitation, any bonds or other surety; provided, however, the foreclosure shall only be in such a manner and in such amount as the Franchising Authority reasonably determines is necessary to remedy the default;
- b. Commence an action at law for monetary damages or seek other equitable relief;
- c. In the case of a substantial default of a material provision of the Franchise, any attempt by Grantee to evade the provisions of the Franchise, or Grantee practices fraud or deceit upon the Franchising Authority, declare the Franchise Agreement, and the rights and privileges thereof, to be revoked; or
- d. Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages.

Any such determination by the Franchising Authority shall be subject to a de novo review by a court of competent jurisdiction.

The Grantee shall not be relieved of any of its obligations to comply promptly with any provision of the Franchise by reason of any failure of the Franchising Authority to enforce prompt compliance.

7.5 Acts of God. The Grantee shall not be held in default or noncompliance with the provisions of the Franchise, nor suffer any enforcement or penalty relating thereto, where such noncompliance or alleged defaults are caused by strikes, acts of God, power outages, or other events reasonably beyond its ability to control.

SECTION VIII Unauthorized Reception

8.1 Misdemeanor. In addition to those criminal and civil remedies provided by state and federal law, it shall be a misdemeanor for any person, firm or corporation to create or make use of any unauthorized connection, whether physically, electrically, acoustically, inductively, or otherwise, with any part of the Cable System without the express consent of the Grantee. Further, without the express consent of Grantee, it shall be a misdemeanor for any person to tamper with, remove, or injure any property, equipment, or part of the Cable System or any means of receiving Cable Service or other services provided thereto. Subject to applicable federal and state law, the Franchising Authority shall incorporate into its criminal code, if not presently a part thereof, criminal misdemeanor law which will enforce the intent of this section.

SECTION IX Consumer Protection Provisions

9.1 Subscriber Privacy. No signal of a Class IV cable communications channel may be transmitted from a Subscriber terminal for purposes of monitoring individual viewing patterns or practices without the express written permission of the Subscriber. Written permission from the Subscriber shall not be required for the systems conducting system-wide or individually addressed electronic sweeps for the purpose of verifying system integrity or monitoring for the purpose of billing.

9.2 Subscriber Complaints and Repairs. The Grantee shall maintain a toll free or collect telephone number for the reception of complaints. All complaints regarding quality of service, equipment malfunction, billing disputes, or any other matters relative to the cable communications system shall be responded to by the Grantee whenever possible within twenty-four (24) hours of notice to the Grantee. The Grantee shall maintain a repair service capable of responding to Subscriber complaints or requests for repairs within twenty-four (24) hours after receipt of said complaints or requests. The Grantee shall resolve the complaint, if reasonably possible, within five (5) working days. Costs for making such repairs, shall be borne by the Grantee unless otherwise provided in the Subscriber's contract, or unless said repairs are necessitated by the negligence or deliberate acts of the Subscriber. In such cases, the Subscriber shall bear the costs. Installation charges shall be borne by the Subscriber.

SECTION X Miscellaneous Provisions

10.1 Preemption. If the FCC, or any other federal or state body or agency shall now or hereafter exercise any paramount jurisdiction over the subject matter or the Franchise, then to the extent such jurisdiction shall preempt and supersede or preclude the exercise of the like

jurisdiction by the Franchising Authority, the jurisdiction of the Franchising Authority shall cease and no longer exist.

10.2 Actions of Franchising Authority. In any action by the Franchising Authority or representative thereof mandated or permitted under the terms hereof, such party shall act in a reasonable, expeditious, and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld.

10.3 Notice. Unless expressly otherwise agreed between the parties, every notice or response to be served upon the Franchising Authority or Grantee shall be in writing, and shall be deemed to have been duly given to the required party five (5) business days after having been posted in a properly sealed and correctly addressed envelope by certified or registered mail, postage prepaid, at a post office or branch thereof regularly maintained by the U.S. Postal Service.

The notices or responses to the Franchising Authority shall be addressed as follows:

City Administrator
City of Kasson
401 5th Street SE
Kasson, MN 55944

The notices or responses to the Grantee shall be addressed as follows:

Mary Ehmke, CEO
KMTelecom
18 2nd Avenue NW
Kasson, MN 55944

Franchising Authority and the Grantee may designate such other address or addresses from time to time by giving notice to the other.

10.4 Descriptive Headings. The captions to sections contained herein are intended solely to facilitate the reading thereof. Such captions shall not affect the meaning or interpretation of the text herein.

10.5 Severability. If any section, sentence, paragraph, term or provision hereof is determined to be illegal, invalid or unconstitutional by any court of competent jurisdiction or by any state or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other section, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise or any renewal or renewals thereof.

Passed and adopted this 27th day of May, 20020, subject to applicable federal, state and local law.

WITNESS:

City of Kasson, Minnesota

Timothy Ibisch, City Administrator

Chris McKern, Mayor

Accepted this 27 day of May, 2020 subject to applicable federal, state and local law.

WITNESS:

KMTelecom

By: _____
Mary Ehmke
CEO, KMTelecom

Layoffs and HR Cost-Saving Measures

Learn about options for reducing staff through furlough, temporary or indefinite layoffs. Determining positions to eliminate and considerations raised by labor contracts, veterans' preference laws, early retirement incentives and voluntary termination programs. Assessing your benefit responsibilities. Considerations in recall of employees. Use of alternatives to staff reduction such as hiring or wage freezes, use of voluntary unpaid leave, and reduction in work hours. Resources for helping employees with job loss.

RELEVANT LINKS:

I. Layoffs and Budget Cutting Measures

The first step a city should take in a potential layoff situation is to determine who needs to be involved. One of the most important things the city can do is to ensure all key parties are kept informed throughout the process.

In most cities, the city council has the authority to move forward with an employee layoff but, as is referenced later in this document, a city's personnel policies, union contracts, civil service rules, etc., must be consulted in preparation. In general, the City Manager in a Plan B city, and the City Council in a Plan A city, have responsibility for the terms and conditions of employment. However, even in a Plan B city, where the City Council maintains authority over setting the city budget, if the City Manager is deviating substantially from an established city budget, the best practice would be to have the City Council vote on any major changes from the city's established budget for the year. Those cities operating under a charter or civil service rules need to review those documents for any language on layoff procedures. When the city is planning for a layoff, the city attorney should be kept informed throughout the process. The city may also want to contact the League with questions about its particular layoff situation.

A. What is the difference between a furlough, a temporary layoff and an indefinite layoff?

Parties often use the terms furlough and layoff interchangeably. Cities may define these terms in personnel policies or union contracts, but it is not common. Absent the city having a definition in the personnel policies or union contracts, there is often not a true distinction in labor law between the two in that they both involve a suspension from employment.

RELEVANT LINKS:

The easiest way to distinguish between the two is that a furlough is often thought of as a civilian application of a military term where an individual has a short-term leave of absence. In contrast, a layoff is often thought of as a discharge, whether temporary or long term.

A furlough is generally perceived as a temporary leave of absence or reduction in work hours such that an employee is relieved of work duties and wages because of economic reasons, lack of work, or other non-disciplinary reasons. Employees who are furloughed typically return to work. The term layoff generally refers to a longer term or permanent elimination of an employee's position due to organizational changes, economic reasons, lack of work or other non-disciplinary reasons.

Furloughs can take many different forms. In its simplest form, a furlough is an individual or group of individuals removed from the work force for a short period of time, or in response to a specific economic situation that parties expect or are hopeful will be resolved in the near future. Furloughs may be voluntary or involuntary. The term furloughs can also include creative approaches to spread the impact among a larger group of employees. For example, some employers find a rolling furlough a useful approach in that it is applied universally across all employees but involves only short periods of time (a week or two) one after another so city services can continue to operate. Like other furloughs, there are various costs associated with it, in that employees, (assuming they are not using accrued leave balances for the time they are furloughed), will likely be eligible for unemployment benefits for the week(s) they are on furlough. Furloughs were common as a short-term approach to funding limitations in the 2007 recession.

As noted above, layoffs are often viewed as a longer-term removal from the work force. There is no legal definition of "temporary" vs. an "indefinite" layoff. However, it is possible a city may have these terms defined in its own personnel policies or union contracts. Usually, a "temporary layoff" is seen as in response to a temporary situation where the employer expects the employee may be called back. In contrast, a "reduction in force" is usually seen as longer term where the separation is indefinite or permanent. Because these are working terms rather than technical terms, it is ideal if a city can identify an expected duration of the need for the leave. A city should be careful not to make any promises about the duration of a leave but let the employee know if there are short/long term plans or no plans to return the employee to the job, or that the employee may be returned to work if economic conditions allow. This will allow the employee to determine if they should be looking for another job.

RELEVANT LINKS:

[Minn. Stat. § 465.722.](#)

Another good option with non-union employees, would be for the city to layoff indefinitely and employ on an “on-call” basis. With union employees, this would need to be addressed with the exclusive representative prior to implementation.

Another option to reduce a work force is a temporary reduction of hours for some or all staff. These may also be voluntary or involuntary.

Depending upon the degree of reduction in hours and the length the arrangement remains in place, this approach may be viewed as a more limited furlough or layoff.

B. Layoff Checklist

What should a city do as an employer to prepare for a potential layoff?

1. Consult existing policies and union contracts

Often a city’s personnel policies, union contracts, civil service rules, etc., will address the procedures that must be followed when preparing for a layoff. If these documents are silent about layoff procedures, past practice should be consulted as a potential guide. As a matter of general labor law, in the absence of any contractual restriction, it is the right of management to determine the number of employees to be used at any given time and to layoff employees in excess of that number. Elkouri, *How Arbitration Works*, 8th Edition, P. 13-165, Section 13.19A (further citations omitted).

Generally speaking, with non-union positions, there is no requirement to lay off part-time or seasonal positions before laying off or reducing the hours of full-time positions unless a city’s own personnel policy or civil service rules calls for this procedure. The city is generally free to do what makes the most sense from a business standpoint unless it will have a disparate adverse impact on protected groups (discussed in more detail below).

Union contracts often have provisions requiring probationary, part-time and seasonal positions to be laid off first.

The best practice is to first think through which positions should be laid off and then think through which people are qualified to fill the remaining positions.

RELEVANT LINKS:

Seniority, as a “last hired/first fired” concept, is usually the determining factor within union positions. Because unions represent bargaining units, their seniority considerations are most often limited to seniority among other bargaining unit members. Union contracts vary, but seniority is typically measured utilizing continual service with the city or continual service within a classification with the city. Sound union contract language never permits seniority for employees within a bargaining unit to prevail over any nonunion employees.

The downside of a strict seniority approach is it can, in some situations, lead to retaining employees with less relevant skills, while letting go of others with more versatile skill sets. In considering layoffs, a city will typically look at each job class separately to see which ones it can most easily do without.

In other words, if the city has three maintenance workers, it may decide it can more easily eliminate one maintenance worker position than eliminate a single person classification like the City Clerk. In non-union settings, a city may wish to lay off a more senior nonunion employee where there is a demonstrated need to retain the less senior employee (for example the less senior employee has special needed licensure that the senior employee does not). In deviating from seniority as a consideration, it is important the city have a sound and objective reason for doing so. Because seniority tends to also identify workers protected from age discrimination, use of a standard other than seniority should include an analysis of whether there is a disparate impact on a protected group like age. The city must also use an identified objective basis for determining how to apply layoffs in a nonunion setting.

As an aside, it is also important for a city to remember that dealing with a budget crisis can be a prime environment for unionization. Where a city has union and nonunion employees, the nonunion employees will be watching to see whether union employees receive preferential treatment because of their union contract language. These situations often highlight the difference between represented and unrepresented employees. A city should avoid taking action to treat nonunion employees less favorably if it wishes to maintain the flexibility associated with the nonunion workforce. In instances in which all city employees are nonunion, a city should similarly consider whether it is treating its employees in a manner that is likely to encourage organization. The city should always keep in mind, however, that the right to organize is guaranteed in Minnesota state law and the city should not interfere with that right. Creating a positive and fair-handed work environment is not the same as interfering with the right to organize.

RELEVANT LINKS:

[Minn. Stat. § 465.722.](#)
[Minn. Stat. § 465.72.](#)

[Firefighters Union Local 4725 v. City of Brainerd, ___ N.W. \(Minn. 2019\).](#)

Personnel policies, union contracts, and civil service rules should also be consulted to determine what kind of severance payouts (compensatory time, vacation, sick leave, paid time off, etc.), if any, would be due an employee who will be laid off. This is an area where furloughs may be contrasted – it is typical for furloughed employees to retain leave balances rather than have them paid out so that the employee can take time off when they return to work. Two key items to note about severance payouts in layoff situations: 1) All compensatory time on the books for non-exempt employees (those eligible for overtime) must be paid out; and 2) In certain cases, state law limits the amount of severance pay an employee may receive.

In addition, if a severance package is being offered as an incentive to encourage employees to leave voluntarily, offering it across the board is a good way to avoid potential claims of discrimination. If the city chooses not to make such a package available across the board, it is important to document the objective business reasons for the decision to only offer the incentive to certain employees.

The city can establish parameters (by policy or resolution) that an employee must meet to qualify for such a severance package, but it should not arbitrarily pick and choose the employees to whom the incentive will be offered. Limited participation severance packages should always be discussed with your city attorney because of the potential for discriminatory impact.

When addressing organizational structure issues like a reorganization or layoff, the city will need to consult with the city attorney or labor attorney before acting. This is particularly true where the city has union employees. A good example of the nuances associated with a reorganization or layoff in a union setting was the Brainerd fire case decision. In that case, the Minnesota Supreme Court held the city's decision to eliminate full time firefighters in a bargaining unit and replace them with nonunion paid on call firefighters was an unfair labor practice. It should be noted that this case may not apply where a union representing several positions would remain in existence upon the elimination of some, but not all, of the positions within the bargaining unit. However, negotiations or a "meet and confer" with the union may be needed to address the potential unfair labor practice issue from the perspective that an agreed upon resolution may not constitute an "interference." Another potential option would be to address the matter through a unit determination process before the Minnesota Bureau of Mediation process.

RELEVANT LINKS:

A city contemplating whether to contract out (or subcontract) services currently performed by city employees who are in a union should also carefully review its union contract and discuss the matter with the city attorney prior to arriving at a decision to do so. As a general matter, the decision to contract out is an inherent managerial right, unless there is contrary or limiting language in the union contract. However, the effects of contracting out bargaining unit work is typically subject to negotiation and arbitration. A city may want to subcontract services that it currently performs if there are potential cost savings by doing so (e.g., some cities may be looking into contracting police services with the county instead of providing their own police protection). If the city does not negotiate to impasse the effects of a contracting out decision, it will probably be limited in its ability to subcontract during the term of the contract. An arbitrator may rule in favor of allowing subcontracting during a contract period if:

- The action is performed in good faith.
- It represents a reasonable business decision.
- It does not result in the subversion of the labor agreement.
- It does not have the effect of seriously weakening the bargaining unit or important parts of it.

Only very small-scale subcontracting of bargaining unit jobs is likely to meet all four of these provisions.

If the city wants to subcontract, it needs to notify the union that it is considering this option (prior to formally making the decision to contract out) and allow the union to negotiate over the effects of that decision (e.g., severance pay and retirement benefits). If the city and union do not agree on these “effects” issues, a formal impasse should be obtained and declared before moving ahead with the subcontract. Risks of failure of party agreement may include strike/lock out over the issue. The bottom line is that the city should consult with a labor attorney before making any decisions on the subcontracting issue.

The city will probably have to obtain union agreement in order to offer many of the programs described in this section to any employees covered by a collective bargaining agreement. Communicating directly with union employees on matters of pay and benefits could be construed as an unfair labor practice.

RELEVANT LINKS:

LMC information memo,
[Continuation of Benefits](#).

2. Document activities in preparation for a layoff

Like any other personnel activity, it is important for the city to document the business reasons for a layoff. From a legal perspective, the city will be better able to defend its actions if documentation shows solid and objective business reasons for eliminating certain positions. From a management perspective, even if employees are not happy about a layoff, good documentation and a sound rationale provides employees with the business reasons for such an action. When employees understand the layoff is not directed at them personally, they are less likely to want to sue the city.

3. Assess benefit responsibilities

a. Health and dental continuation

Neither federal nor state law requires employers to continue to provide health coverage (or employer contributions for health coverage) during COVID-19 related layoffs or furloughs, unless the employee is entitled to leave under the Family and Medical Leave Act (FMLA) or the Families First Coronavirus Response Act (FFCRA).

However, layoffs and furloughs may trigger continuation rights under federal or state law. Whether a reduction in hours under a furlough constitutes a qualifying event for purposes of these continuation coverage laws requires further analysis.

The Consolidated Omnibus Budget Reconciliation Act (COBRA) generally covers group health plans (e.g., medical, dental, vision, health FSA, health reimbursement arrangement, EAP, etc.) maintained by employers with 20 or more employees.

COBRA requires public sector employers to offer a temporary extension of group health coverage (referred to as “continuation of coverage”) to certain qualified beneficiaries (typically employees, former employees, spouses, former spouses, and dependent children) for up to 18, 29, or 36 months, depending on the qualifying event. One such qualifying event can include termination of employment or a reduction in hours worked. Minnesota law also requires public sector employers (of any size) to offer continuation coverage for health, dental, vision, and life insurance upon a termination of employer or a reduction in hours worked.

RELEVANT LINKS:

[LMC information memo, Continuation of Benefits.](#)

COBRA generally requires the city to distribute an election notice to each qualified beneficiary (which may include the employee, the covered spouse, and the covered dependent children). As the memo linked to the left notes, the timeframe is generally within 14 days of the qualifying event, but in cases where the city is also the plan administrator, (which is typically the case), then the notice required upon a termination of employment or reduction in hours, must be provided within 44 days of the qualifying event or, if the plan provides continuation coverage and notice periods begin on the date of the loss of coverage, within 44 days of the date on which coverage is lost. For this notification, DOL COBRA regulations provide that a single election notice, addressed to a covered employee and covered spouse, is sufficient if they reside at the same address. Minnesota law has a similar notice requirement.

In general, COBRA and Minnesota Continuation laws provide that if the employee loses coverage due to a reduction in hours or job loss, that the employee is entitled to at least 18 months of coverage at his or her own expense.

Thus, due to a layoff, if an employee ceases to be eligible for the City's health plans, then the employee should be offered COBRA and/or Minnesota continuation coverage due to the employee's reduction in hours. However, the City could agree, as part of the layoff, to pay the employees continuation premiums subject to collective bargaining, etc.

Also note that most insurance carriers in Minnesota have indicated they will waive any hours requirements for employees who have been temporarily laid off or furloughed. The City should check with its carrier, but if the carrier has taken such a position then the City could, at its discretion, continue to treat this employee as an eligible active employee. The City's decision to do so should be documented. Thus, in the case where the group health plan permits laid-off or furloughed employees to continue participation in the group health plan, then there likely is no need to offer continuation coverage at this time because there is no loss of coverage.

Note, however, that the COBRA regulations specifically provide that if an employee's cost of coverage increases due to a reduction in hours, that change constitutes a loss of coverage triggering a requirement to offer COBRA coverage. Accordingly, if the employee remains eligible during the layoff but the City decides to reduce its contributions, COBRA continuation coverage should be offered.

RELEVANT LINKS:

LMC website, [Federal Health Care Reform](#).

If benefit eligibility is extended during the period of layoff or furlough, the City will need to address additional issues, such as how to collect any premiums owed by the employee during the layoff/furlough, whether to terminate coverage if premiums are not paid in a timely manner, when to reinstate coverage upon the employees return to work (assuming coverage terminated during the layoff/furlough), etc. The City should review its leave policies and governing plan documents to determine whether these issues are already addressed.

b. Life and disability continuation

Some life insurance and long-term disability insurers are allowing coverage to be extended for a limited time after employees are furloughed. In other words, some carriers are waiving the “actively-at-work” policy requirements. Since this waiver is not standard, a city will want to contact its insurers to find out if this waiver is applicable. Depending on the policy, employees losing life insurance coverage as a result of layoffs may have the right to convert the policy to an individual policy.

c. ACA considerations

Under the federal Affordable Care Act (ACA), an employer with 50 or more full-time employees that sponsors a group health plan must offer minimum essential coverage to at least 95% of its full-time employees (and their dependents), and such coverage must meet affordability and minimum value requirements under the Code to avoid employer shared responsibility penalties. Additional information on the ACA can be obtained through the link on the left.

Under COBRA rules, in the case of a reduction in hours or a furlough, it would seem an employee would no longer be considered a full-time employee and due to those circumstances, would no longer be offered city group health coverage. However, if the City is an applicable large employer under the employer shared responsibility requirements and it determines eligibility for the health plan using the look back measurement method, a full-time employees who is temporarily laid off will typically remain eligible for coverage during the layoff so long as he/she remains an employee due to the fact that his/her full-time status is generally fixed during the stability period.

Applicable large employers should be aware that if a full-time employee who is temporarily laid off or furlough remains a full-time employee, whether the city continues to make its health plan contribution may affect the affordability of the coverage.

RELEVANT LINKS:

[PERA, Covid 19 Questions and answers.](#)

Additionally, applicable large employers will also want to be aware of how breaks-in-service can affect the employer shared responsibility requirements. In general, a break-in-service is a period of time during which an employee is not credited with any hours of service under the employer shared responsibility rules. If a break-of-service is at least thirteen (13) weeks in length, when the employee returns to work the city can treat the employee as a new employee for purposes of the employer shared responsibility requirements (e.g., penalties will not apply if the employee is not offered coverage immediately upon return to work). Except as provided below, an employee returning to work after a break-in-service that is less than thirteen (13) weeks in length is treated as an ongoing employee and generally should be offered coverage immediately if he/she is a full-time employee in order to avoid potential penalties under the employer shared responsibility requirements.

Applicable large employers will also want to consider the Rule of Parity under the ACA when it recalls an employee back from a furlough and how the leave. The Rule of Parity, as cited from the IRS regulations, is as follows: “For purposes of determining the period after which an employee may be treated as having terminated employment and having been rehired, an applicable large employer may choose a period, measured in weeks, of at least four consecutive weeks during which the employee was not credited with any hours of service that exceeds the number of weeks of that employee’s period of employment with the applicable large employer immediately preceding the period that is shorter than 13 weeks (for an employee of an educational organization employer, a period that is shorter than 26 weeks).”

Thus, for determining whether an employee is a full-time employee (who could trigger a penalty if he/she is not offered coverage immediately upon returning to work), the period of absence for the furlough must exceed the duration of the employee’s period of employment immediately before the break in service for the employee to be treated as new, rather than ongoing, employee.

d. PERA service credits

In the event of a layoff or seasonal leave of absence, a PERA member will receive service credit for up to three months even though no contributions are reported. For example, school employees who work only nine months and who are laid off over the summer months receive service credit for all 12 months.

RELEVANT LINKS:

[26 C.F.R. § 1.125-4.](#)

[26 C.F.R. § 1.125-4.](#)

e. Cafeteria plan elections

A section 125 plan is authorized under the part of the IRS code that enables and allows employees to take taxable benefits, such as a cash salary, and convert them into nontaxable benefits. One of the rules associated with the Section 125 plan, is that employees' cafeteria-plan elections are generally irrevocable until the beginning of the next plan year, unless there are certain specific circumstances, known as “qualifying events,” in play. The Internal Revenue Service (IRS) Code Section 125 contains provisions defining “qualifying events” which allow mid-year changes to medical, dental, vision, life, health, flexible spending account (health FSA) and/or dependent care flexible spending (DCAP) plan elections.

Under IRS rules, an employee can make a change to their FSA (health or DCAP) election if the employee, the employee’s spouse, or the employee’s dependent loses employment and the loss of employment affects eligibility under a plan. For example, if an employee’s spouse loses employment and eligibility for benefits through his/her employer, an employee can generally increase his/her FSA elections.

When the city is placing an employee on a furlough, it does not necessarily trigger a participant’s ability to change one or more of his or her elections under a cafeteria plan. The city will need to carefully review their cafeteria plan document to determine if coverage under the cafeteria plan (including the health FSA and/or DCAP) ends when an employee is no longer actively working. If eligibility ends, elections will automatically be revoked (subject to the employee’s possible right to elect to continue coverage under the health FSA pursuant to COBRA). If eligibility is not impacted by the furlough, the furlough itself will not constitute a “qualifying event” triggering the ability to make an election change. However, other events may occur at the same time that constitute “qualifying events.”

With dependent care assistance plans, when there is a change in the cost of a dependent care provider or a daycare closes, for example, this is often a qualifying event that may trigger a midyear election change. The midyear election change must correspond to the event; or in other words, not needing daycare means a participant can decrease an election, whereas needing daycare would allow for an increase in a participant’s DCAP election. The election changes may include starting, stopping or modifying a DCAP election, depending on the employee’s situation. In many cases, when a furloughed employee is called back to city work and day care reopens/is needed again, this would likely trigger another change (to increase dependent care election).

RELEVANT LINKS:

[Furlough or Layoff Letter, LMC Model Form.](#)

f. Leave Accruals

Leave accruals are dictated by the city’s own personnel policy, past practice or union contract. If none of these documents state what will happen in the event of a layoff, the city can generally make its own decision about non-union employees but may need to negotiate with the union for union-covered employees. Employees would probably see this as a good faith gesture on the part of the city and, if the city can afford it, this would help maintain morale during what will likely be a trying time for its employees.

C. How should a city determine which positions to eliminate?

1. Consider implementing a hiring freeze

A city may want to consider implementing a hiring freeze in lieu of layoffs. A hiring freeze is when a city determines not to fill a vacancy. It is usually implemented across-the-board with few or no exceptions. In other words, any employee who retires or otherwise leaves employment with the city is not replaced. The downside of this type of program is vacancies can occur in jobs that are sorely needed by the city. For example, if the city operates a hospital or nursing home and registered nurses are scarce to begin with, it may be difficult for the city to leave a position vacant. Or, if the city has a one-person job class with special expertise, such as the city engineer or city attorney, it may be difficult to “do without” that function. In some cases, the city can contract out for the work, but this may not result in any cost savings.

If the city wishes to implement a hiring freeze but include some exceptions to the freeze, it should identify the exceptions up front (either by individual position or by general guidelines) before implementing the freeze. When identifying the exceptions to the freeze, the city should document the business reasons for exempting these positions. This will help the city avoid perceptions of favoritism and help defend claims of discrimination and grievance arbitrations.

2. Carefully consider which positions to layoff

A city should rely on objective business reasons to decide which employee(s) to layoff. From a legal perspective, state and federal law prevent employers from any employment practice that would discriminate against or have a significant “adverse impact” on any class of people protected by those laws (e.g., Title VII of the Civil Rights Act, Minnesota Human Rights Act). From a management perspective, a city should not use a layoff to deal with employee performance issues.

RELEVANT LINKS:

It is possible the courts or an arbitrator may see this as an unfair labor practice, a deception or a wrongful discharge.

With or without the existence of policies, union contracts and past practices, the city must carefully think through how a layoff is to be accomplished. Once the city determines which job class(es) will be affected, seniority (years of service) with the city is often used to determine who will actually be laid off. However, defining “seniority” can be tricky. For example, at your city: Do part-time years of service equal full-time years of service or should part-time service be pro-rated? Do prior years of service count for employees who are rehired? Does time spent on a leave of absence count toward seniority? (Federal law says that time spent on leave covered by the Family and Medical Leave Act and/or for qualified military leave for training or active duty must be counted.)

In addition to seniority, a city should consider which employees hold a license (Class A wastewater operator, building official, commercial driver’s license, etc.) or have special training be essential to the provision of certain services to the public. If an employee is less senior than others but happens to be the only one qualified to perform a necessary function, including that employee in the layoff may simply not be an option.

Cities wanting to utilize performance evaluations as an objective tool, need to review those evaluations to assure they are free from subjective determinations or potential bias, are uniformly performed across the city and utilize rational criteria. This approach is typically not permitted in union groups where seniority is the sole criteria. It is also not commonly used as a sole determination in nonunion settings because of their often-subjective nature.

Additionally, for furlough or temporary layoff situations, the city will need to be consider how to treat employees on leave with respect to other agency required processes. For example, for a DOT driver, specific rules regarding drug and alcohol testing must be addressed prior to having the worker perform safety sensitive functions again.

For example, according to Federal Motor Carrier Safety Administration regulations, if a driver is considered to be an employee of the city during the extended (layoff) period, a pre-employment test would not be required so long as the driver has been included in the city’s random testing program during the layoff period. However, if the driver was not considered to be an employee of the city at any point during the layoff period, or was not covered by a program, or was not covered for more than 30 days, then a pre-employment test would be required upon a call back.

For those cities with public swimming pools or water parks, it is important to remember the staffing requirements associated with operating those kinds of facilities.

[49 C.F.R. § 382.301.](#)

RELEVANT LINKS:

The Minnesota Department of Labor and Industry (DOLI) prevents lifeguards under age 18 from supervising other lifeguards. DOLI has also indicated that the supervisor cannot be a volunteer but must be a lifeguard employed by the city. In addition, there are rules from the Department of Health that play a role in the city's staffing of such facilities. As the city is going through the process of determining which employees to include in the layoff, it is important to remain aware of what the resulting layoff group looks like. For example, if the criteria the city is using to determine who will be laid off results in only employees over 50 being impacted, the criteria should be revisited. Likewise, if the layoff group appears to be comprised mainly of women of childbearing age or includes only the employees who recently tried to organize a union, the city should rethink the criteria being used.

Finally, the city needs to consider employees who may currently be away from their jobs with the city for whatever reason (family leave, military duty, etc.). If the layoff will impact employees who are on a medical related (or other) leave of absence, it is important to work with the city attorney. Each situation may be covered by a variety of state and federal laws (Americans with Disabilities Act, Minnesota Human Rights Act, Workers' Compensation, Family and Medical Leave Act, etc.) and should be considered on a case-by-case basis.

3. For furloughs and temporary layoffs, begin to think through needed steps to plan for the city's recall process

The amount of time the city laid off an employee may impact what the city needs to do in order to rehire that person. For example, if the employees remained on benefits and it was a shorter duration (for example, less than six months), the city may not have to repeat the entire hiring process to bring the employee back. Some things to consider:

- Consider any drug and alcohol testing that may be required in accordance with Federal Motor Carrier Safety Administration (FMCSA) rules. Refer to pertinent information on under Section 2 of this document.
- Has there been any gaps in any recalled employee's licenses for the job and how can those be addressed before the employee returns to work?
- Other important considerations are noted within the Return to Work information linked to the left.

[49 C.F.R. § 382.301.](#)

LMC website: [FAQs on Returning Employees to Work.](#)

4. Think about bumping rights

Some policies or union contracts may specifically permit employees with more seniority to “bump” employees in equal or lower job classes and

assume their jobs to avoid being laid off. In reviewing bumping language, a city needs to determine if the employee who is exercising bumping rights meets the minimum requirements of the position. The employee bumping into the position under a union contract seniority provision typically is not required to meet any preferred requirements.

5. Review existing contracts

A city may have staffing responsibilities related to certain contracts and programs. For example, the Minnesota Department of Labor and Industry has contracts with many city building departments to perform plan review and/or inspections of public buildings. These contracts are based on two criteria: (1) The city must employ a certified building official; (2) The city must have adequate staff to provide these services. A layoff may cause a city to be out of compliance with such a contract. Other city contracts, such as those for police and fire services, may have similar provisions.

6. Consider veterans preference

Veterans are not given the same rights in a layoff situation as they are in a termination decision. In general, a city may layoff (or demote) a veteran in situations where the veteran is the least senior employee and the veteran’s position is abolished. The job duties of the veteran should not be assigned to other less senior positions as this may imply that the position was abolished in order to avoid the veteran’s right to a hearing. Nor should the position continue to exist by some other name, or the position duties merely transferred to another department. To determine if the position is being eliminated “in good faith,” the city needs to ask:

- Are the job duties actually eliminated or being re-assigned?
- Is the abolished position continued under some other name or duties transferred to another department?
- If duties are re-assigned, are they assigned to another non-veteran employee with less seniority than the veteran?
- Is the position being abolished in good faith for a legitimate purpose or as a strategy to terminate the veteran?

RELEVANT LINKS:

[LMC information memo, Veterans Preference in Discipline, Discharge, or Job Elimination.](#)

[Early Retirement Incentive for All Employees, LMC Model Policy.](#)

[Early Retirement Incentive for a Group of Employees, LMC Model Resolution.](#)

[EEOC, Understanding waivers of discrimination claims in employee severance agreements. Minn. Stat. § 471.61.](#)

[29 C.F.R. § 1625.22.](#)

A layoff notice provided to a veteran should include a statement like the following: “If you are a veteran as defined by Minn. Stat. § 197.447, you may have certain rights relating to your layoff under the Veterans’ Preference Act (Minn. Stat. §§ 197.46 and 197.481). Pursuant to the Act, you have the right to either petition the District court for a writ of mandamus or the Commissioner of Veterans Affairs to determine whether the action taken was in good faith. If you wish to pursue either of these remedies, you must do so within 30 days of receipt of this notice.”

Unlike other types of terminations of veterans, the city does not need to pay the veteran his or her regular wages during the 30-day period after the notice in cases of good faith layoff.

7. Carefully consider early retirement incentives

The advantage of offering employees an incentive for early retirement is that it can be a fairly painless way to reduce the work force. By establishing the early retirement incentive as a formal program with a limited “window of opportunity” for participation, the city will be protecting itself against setting a precedent or otherwise committing itself to similar programs in the future. There are, however, some potential pitfalls to avoid with these incentives. In general, the city should:

- Offer early retirement incentives across-the-board to all employees, or an entire group of employees (e.g., sworn police officers). If offering the incentive only to one group of employees, the city should be prepared to explain the business reason for offering it only to that group. Most commonly, cities offer a specified amount of paid retiree health insurance to employees who elect an early retirement incentive -- usually paid single coverage health insurance for a certain period of time or up to a certain dollar amount. We are not aware of any cities that are using age 65 as the cutoff for paid retiree insurance, and the League does not recommend this practice based on the possibility it might conflict with state human rights law.
- The city will probably have to obtain union agreement in order to offer the program to any employees covered by a collective bargaining agreement. Communicating directly with union employees on matters of pay and benefits could be construed as an unfair labor practice.

RELEVANT LINKS:

[EEOC, Understanding waivers of discrimination claims in employee severance agreements.](#)

- Make sure the incentive meets the definition of “voluntary” under Equal Employment Opportunity Commission guidelines. For example, the city should make sure that the employees are given adequate time and enough information to make an informed decision about whether to take the incentive. If the city is asking the employees to sign a waiver of rights under the Age Discrimination in Employment Act (ADEA), many specific requirements including time limits apply. For example, an individual employee must be given 21 days and a group of employees must be given 45 days to consider the waiver. A seven-day revocation period must also be provided. According to the EEOC, it is not coercion for the city to notify its work force that layoffs will be necessary if insufficient numbers of employees do not retire voluntarily unless older workers are the only ones threatened. (Use the link on the left for additional guidance from the EEOC on age discrimination issues).
Make sure the incentive meets the definition of “voluntary” under Equal Employment Opportunity Commission guidelines. For example, the city should make sure that the employees are given adequate time and enough information to make an informed decision about whether to take the incentive. If the city is asking the employees to sign a waiver of rights under the Age Discrimination in Employment Act (ADEA), many specific requirements including time limits apply. For example, an individual employee must be given 21 days and a group of employees must be given 45 days to consider the waiver. A seven-day revocation period must also be provided. According to the EEOC, it is not coercion for the city to notify its work force that layoffs will be necessary if insufficient numbers of employees do not retire voluntarily unless older workers are the only ones threatened. (Use the link on the left for additional guidance from the EEOC on age discrimination issues).

The EEOC regulations also require that the employer notify anyone who is being asked to sign a waiver of the job title and ages of all individuals selected for the program and the ages of all individuals in the same job classification or organizational unit who are not eligible or selected for the program. Since a person’s age is private personnel information, cities should document that age information will only be released to city personnel who have a need to receive the information as part of an administration of a human resources function. Sharing age information with city staff being asked to sign a waiver would likely meet this condition. The city should work closely with its attorney to address all the requirements for waiving rights under the ADEA and any other laws

RELEVANT LINKS:

- Additionally, the Older Workers Benefit Protection Act (OWBPA), which amended the ADEA, mandates specific content and time periods for legally enforceable releases of claims for individuals age 40 or older. Under the OWBPA, employers also need to provide workers age 40 and over a consideration period of at least 21 days when one older worker is being separated, and 45 days when two or more older workers are being separated. Additionally, employees must receive a revocation period of at least seven days. Also, generally, releases of claims must receive a revocation period of at least 14 days under the Minnesota Human Rights Act. During a layoff or as part of a voluntary exit incentive program, two additional requirements are needed to validate the releases. The employer must publicly identify the targeted employees, and secondly, the affected employees must be informed in writing of the job titles and ages of all individuals selected for the group program, along with employees in the same job classification or unit that were not selected for the program.
- Establish parameters for the program. For example, the city may want to offer the early retirement incentive to all employees with 10 years or more of service with the city and who have met age and service requirements necessary to receive a public pension benefit. The EEOC guidelines clearly indicate that it is okay to let employees know that if an insufficient number of employees accept the early retirement incentive, the city will have to consider layoffs, as long as older workers are not the only ones threatened with layoffs simply because of their age or that they are closer to retirement than other employees. The EEOC also makes it clear that making an offer that is “too good to refuse” is not considered discriminatory. In other words, designing an incentive that will be particularly attractive to older workers is permissible.
- Establish a “window of opportunity” in which employees can take advantage of the early retirement incentive (e.g., between 6/1/2020 and 10/1/2020). This will ensure the city does not forget to “close the door” on the program once it is no longer needed.
- Be aware that early retirement incentives that provide differing benefits based on age could be challenged based on age discrimination. For example, cities sometimes provide retirement incentives that pay the city’s contribution toward health insurance until age 65 or until Medicare-eligible. While the EEOC has issued revised regulations that allow for this, the Minnesota Human Rights Act still might provide the opportunity for a legal challenge of this practice based on age discrimination. Despite the ADEA’s revised regulations, the safest practice is probably still to offer a flat dollar amount (e.g., \$10,000) for all employees meeting the requirements established under the early retirement program.

RELEVANT LINKS:

[LMC information memo, Continuation of Benefits.](#)

[Minn. Stat. § 465.722.](#)

[Minn. Stat. § 465.72.](#)

[LMC HR Reference Manual chapter 3. See page 63 Statutory limitations.](#)

- Avoid early retirement incentives with uncertain or uncapped costs to the city (e.g., paying health insurance premiums until the employee finds another job with group health insurance). Instead, cap the costs at a limited number of months or a dollar amount.
- Consider the impact of losing a substantial number of highly experienced employees all at once (e.g., losing the most experienced police officers who help train new recruits). At minimum, the city should plan for the loss of that expertise, perhaps by asking the experienced employees to conduct training or write manuals before they leave employment.
- Consider employees who are not yet 65 but are eligible for a public pension fund and how that might impact continuation of health and dental benefits. State law typically requires the city to provide indefinite group health and dental coverage to early retirees who qualify to receive a public pension. See link to the left for additional information on Minn. Stat. § 471.61.

8. Carefully consider voluntary termination programs

The city may want to consider offering employees a severance benefit if they agree to a voluntary termination of their employment.

It is important the city offer an additional severance benefit (one that is not available under ordinary circumstances) to the employee in return for his or her agreement to voluntarily terminate employment. Using the private sector as an example, a severance benefit often takes the form of a dollar amount (or one week’s pay) multiplied by the number of years of service (e.g., \$1,000 x # of years of service or 1 week of pay for each year of service).

Cities need to be aware there are limits on severance packages in the public sector. Please refer to “Statutory Limitations under Severance Pay” section of the Discipline and Termination Section of the HR Reference Manual.

It is equally important the city considers requiring the employee to sign a waiver of all rights to sue, or to request a veteran’s preference hearing in return for the additional severance benefit.

Also, the Age Discrimination in Employment Act requires certain waiting periods (see “Early Retirement Incentives” subsection above and “Termination Agreements” subsection in this document) during which the employee can change his or her mind before the agreement is final. Additionally, cities will want to be aware of the revocation period after the agreement is signed – seven days under ADEA and 14 days under MHRA. Finally, it is important to notify the employee of his or her right to consult an attorney before signing the agreement. The best practice is to offer this opportunity across-the-board or within selected job classes, and to be prepared to give a business reason why certain job classes have been

RELEVANT LINKS:

selected and others have not. The city should work with an attorney on the agreement to be signed by participating employees.

The city will have to obtain union agreement in order to offer this program to any employees covered by a collective bargaining agreement.

Communicating directly with union employees on matters of pay and benefits could be construed as an unfair labor practice and, thus, should be avoided.

9. Carefully consider wage freezes, voluntary leave and other cost-saving measures

Sometimes employers implement wage freezes in addition to, or in lieu of, layoffs and other cost-savings measures. A wage freeze typically means no merit or performance pay is awarded during the freeze period, but it can also mean no cost-of-living adjustments or any pay increases whatsoever. As with most of the programs discussed in this section, a wage freeze is subject to employee complaints of discrimination so across-the-board wage freezes are generally the best practice.

The city may have the right to unilaterally implement a wage freeze in a non-union environment – depending on what its personnel policies, city charter, or civil service rules say.

However, the city typically does not have such a right in a union environment if a union contract is in place that calls for wage increases. The city is obligated to implement scheduled wage increases under an existing union contract.

It may also be obligated to implement wage increases, even with an expired union contract, if the contract calls for scheduled step increases. In this case, the city can ask the union to voluntarily accept a wage freeze, but the union has no legal obligation to agree. If the city decides to approach the union about a voluntary wage freeze, it should handle the subject honestly. Let the union know what measures the city will have to consider if it cannot reduce its costs (e.g., layoffs), but do not use this to threaten the union employees specifically.

In addition, the city should approach the union representatives to ask about a voluntary wage freeze; but should not approach employees directly. Talking directly to union employees about terms and conditions of employment typically negotiated in a contract can be seen as an unfair labor practice.

RELEVANT LINKS:

[Greenway vs. Ind. Sch. Dist. No. 316](#), 673 N.W. 2d 843 (Minn. App. 2004).

[Special Voluntary Unpaid Leave for Covid 19 Pandemic, LMC Model Policy.](#)

The city must bargain over whether those automatic steps will be implemented in the new contract and if unable to negotiate a freeze, it must continue to award those step increases until a new contract is settled. If the city is in between union contracts (e.g., the current contract has expired and no new contract has been negotiated), then the city may try to negotiate a wage freeze for union employees. However, if the expired contract calls for automatic step/wage increases based on factors like longevity or educational achievements, the city probably cannot unilaterally implement a wage freeze. If the expired contract does not have automatic step/wage increases, the employer can probably freeze wages at the level called for in the expired contract but only while bargaining over the wages and benefits for the next contract period. Once that contract is settled, the employer must follow whatever terms and conditions have been bargained and agreed upon.

The reality is that a union contract will rarely expire unless employees go on strike. State law provides that an existing contract is in effect after expiration until the right to strike matures or until a successor agreement is reached. If employees go on strike (or have the option to go on strike), then the contract provisions are not enforceable. In the instance in which the parties have reached impasse, a city may implement its last best offer. This technically operates as a continuation of the contract. It is also important to note that for essential employees there is no “right to strike;” therefore, the expired contract stays in effect until the new contract is negotiated.

Another way to save personnel costs is to implement a voluntary unpaid leave program or reduce work hours for all employees across-the-board. While there may be a variety of ways a city could accomplish this, there are several issues cities may want to consider:

- Applying the program across-the-board to all employees or to one identifiable group of employees is less likely to result in a successful lawsuit.
- Voluntary programs have the advantage of allowing those that can better afford the unpaid leave or reduction in hours to be the ones to step forward. Whenever some employees volunteer and others do not, however, there is a risk of employee morale problems.
- Involuntary programs applicable to all employees are likely to be seen as fair and consistent but may not be the most efficient method of reducing hours. For example, in the winter months, reducing the hours of snowplow drivers at the same rate as golf course employees may not be the most efficient way to use city dollars.

RELEVANT LINKS:

[Fact sheet 70 FLSA Furloughs.](#)

- The city will need to communicate with a union where it has employees covered by union agreement prior to including bargaining unit employees in a voluntary program. Under general labor law principles, what a city may choose to call a program is less important than what it accomplishes – a reduction in the workforce whether by reduced hours, not scheduling an employee or through a voluntary/involuntary furlough all may fall within the definition of a layoff under the union contract. Communicating directly with union employees on matters of pay and benefits could be construed as an unfair labor practice.
- Consider how any voluntary unpaid leaves of absence would impact participating employees' seniority dates. For non-union employees, the city would probably have the discretion whether to count the unpaid time for seniority purposes. The city should reference its personnel policies to determine what would be the effect of the current language and decide whether it wishes to amend this language. Counting the time would provide an additional incentive for employees to voluntarily step forward to take an unpaid leave of absence. For union employees, the seniority issue will likely be outlined in the union contract and any change would have to be negotiated with the union.
- Consider how the city will handle vacation/sick/PTO accruals for typically full-time employees working less than 40 hours per week. Making it clear the city is changing the employee's status to less than full-time eliminates this confusion, but likely will have an impact on vacation and sick leave accruals as employees will then likely be considered "part time" under existing policy or union contract (if applicable) language. Vacation and sick time accruals are probably at the city's discretion for non-union employees in this situation but may require amended language in personnel policies. In the event the city does not have personnel policies, the city may want to go on record stating why it is deviating from its usual practice with regard to leave accruals (if the city's usual practice is to prorate benefits for employees who work less than 40 hours).
- Consider the impact on exempt (not subject to the Fair Labor Standards Act) versus non-exempt (subject to the Fair Labor Standards Act/overtime eligible) employees. Nonexempt employees are paid for each hour worked, so furloughed nonexempt employees are simply paid for fewer hours. Under #9 of the linked DOL guidance to the left, in the case of public sector exempt employees a specific rule applies to furloughed employees: "Deductions from the pay of an employee of a public agency for absences due to a budget-required furlough shall not disqualify the employee from being paid on a salary basis except in the workweek in which the furlough occurs and for which the employee's pay is accordingly reduced."

RELEVANT LINKS:

[Firefighters Union Local 4725 v. City of Brainerd](#)
N.W. (Minn. 2019).

[MN Unemployment, News and updates COVID 19.](#)

There are some issues for cities to consider when applying these cost-saving measures to exempt employees.

- Assess benefits continuation responsibilities. Consider whether the city will continue to pay its usual share of the health insurance premiums while an employee is on a voluntary unpaid leave. The city can choose to continue to pay its share of the health insurance premiums while the employee is on leave, except for union employees, which may require negotiation first. While city expenditures must have a public purpose, such an action could likely be justified as part of cost savings measures (particularly as it may prevent an employee from receiving unemployment benefits) while advancing employee retention. The city should consider taking steps to ensure this does not set a precedent. For non-union employees, this probably means amending personnel policies with the limitation on this benefit noted. For cities without personnel policies, this may mean stating formally on the record this will not set a precedent and it is being done for a limited time period only. In the case of union employees, the city will probably want to have a written agreement (i.e., in the contract or via a separate memorandum of agreement) that this will not set a precedent).
- A COBRA notice typically is not issued until there is a loss in coverage—in other words, when the city decides they are no longer going to pay their contribution for the coverage for the employee.
- A benefit to allowing employees to keep the same level of benefits when they have temporarily had their hours reduced is that it would eliminate the potential controversy related to their status during this period. Another benefit is employees would probably see this as a good faith gesture on the part of the city and, if the city can afford it, this would help maintain morale during what will likely be a trying time for its employees. The downside to such a benefit is the continued cost to the city of the accrued benefits. Employees covered by a union contract will be governed by the terms of that document. Whether a “temporary” status change is permitted will need to be determined by reviewing the union contract. Likewise benefit accruals will be governed by the contract provisions. Any changes to these provisions would need to be negotiated with the union

D. How does unemployment insurance work?

Most Minnesota cities are directly responsible for unemployment benefits and may not be aware that in many cases, a layoff will not save the city the employee’s entire wage for quite some time. Unlike private sector employers, most Minnesota cities pay for unemployment insurance on a reimbursement basis. This means the city pays the Minnesota Unemployment Insurance Trust Fund an amount equal to the unemployment benefits paid to its former employees.

RELEVANT LINKS:

[Minn. Stat. § 268.07.](#)

LMC website: [City Employment issues COVID.](#)

LMC website: [City Employment issues COVID.](#)

The city should consider this ongoing cost when conducting the financial analysis of how many employees at what salaries need to be laid off in order to balance the budget. It is important for the city to understand laying off an employee will not immediately save the city that employee's full salary.

Estimate your employee's potential benefit. A weekly benefit amount is calculated by first determining the base period of employment. The base period is typically the first four of the last five completed calendar quarters preceding the week in which an individual filed for unemployment benefits. The weekly benefit amount is the higher of 50 percent of the individual's average weekly wage during either the high quarter of the base period or the total base period. In general, the maximum amount of benefit is the lesser of 26 times the individual's weekly benefit amount or one-third of the individual's total base period wages. The information provided here is only an estimate of the benefit; calculating actual benefits is more complex and determined by statute (see link to Minn. Stat. 268.07, Subd.2 on left).

Generally, if the city reduces the work hours of an employee by 20 percent or more and this results in him or her resigning, the employee is likely to be eligible for unemployment benefits. This is true even though employees are often not eligible for unemployment benefits due to resignation under other circumstances. On March 16, 2020, Gov. Tim Walz issued an executive order to ensure workers affected by the COVID-19 pandemic have full access to unemployment benefits. The executive order makes applicants eligible for unemployment benefits if:

- A health care professional or health authority recommended or ordered them to avoid contact with others.
- They have been ordered not to come to their workplace due to an outbreak of a communicable disease.
- They have received notification from a school district, daycare, or other child care provider that either classes are canceled or the applicant's ordinary child care is unavailable, provided that the applicant made reasonable effort to obtain other child care and requested time off or other accommodation from the employer and no reasonable accommodation was available.

On April 6, 2020, Emergency Executive Order No. 20-29 was issued requiring employers to notify separated employees about the availability of unemployment insurance benefits; it also suspends enforcement of Minnesota statutes that would typically delay unemployment benefits for those employees receiving vacation, sick, or personal time off. We believe this is an attempt to minimize any lags between when an employer stops paying and when the previous workers would begin receiving unemployment benefits.

RELEVANT LINKS:

[Furlough or Layoff Letter, LMC Model Form.](#)

[MN Unemployment, Help and Support employee handbook.](#)

[LMC Handbook Liability, III D, Definition of discretionary and ministerial acts.](#)

While we do not have any guidance to date on what should be included in the notification of availability of unemployment insurance benefits, the League has prepared a model notification for cities to review with their city attorney in the link to the left.

For more information, cities should consult the Minnesota Employer's Unemployment Handbook available on the unemployment insurance page of the Minnesota Department of Economic Security web site (follow link in left column).

E. What else should a city be aware of?

1. Build a record

Layoffs will inevitably result in reduced service levels. For example, a city may no longer have the staff to inspect city sewers with the same frequency or the ability to plow snow or sand streets with the same regularity. These reductions in service may well result in an increase in accidents and claims made against local governments. In order to help insulate the city from potential liability, state law provides cities with statutory discretionary immunity for many of these types of decisions.

In the case of an employee layoff (and corresponding reduced service levels), it is important for the city to create and preserve a good discretionary immunity record. This can be accomplished in several ways. For instance, if the city is no longer going to inspect sewers at the same frequency, the city may want to adopt a revised sewer inspection policy that sets forth new inspection procedures based on a reduced number of public works employees. Similarly, if the city is going to change its snow plowing practices so that it initiates plowing after four inches of snow rather than two inches, it should change its snowplowing policy and explain how the budget and staffing considerations have resulted in the reduced service level.

If an actual policy decision is made, a resolution setting forth the policy or plan can be prepared. The "whereas" sections of such a resolution should document some of the social, political, economic or other factors supporting the council's decision. Similarly, accurate and complete minutes are excellent records for showing a city council's exercise of discretion. More information on building the statutory discretionary immunity record can be found in Chapter 17, Liability, of the Handbook for Minnesota Cities (linked to the left).

2. Advance notice

The Worker Adjustment and Retraining Notification Act (WARN), a federal law requiring advance notice to employees in situations of large plant closings or mass layoffs, does not apply to local government entities.

RELEVANT LINKS:

Even though state and federal law are silent about providing local government employees with an advance notice of pending layoff, the city should consult its own personnel policies, civil service rules and/or union contracts. These documents may require the city provide an advance notice to employees. In addition, there may be other benefits to providing advance notice. For example, employees who feel the city is doing what it can to treat them fairly and humanely may be less inclined to file lawsuits, grievances or to contest the layoff.

3. Return to work / recall rights

Union contracts typically address recall rights – including the order of who is to be recalled and how long recall rights exist. In the absence of such language in a union contract, city personnel policies or civil service rules, the city has considerably more discretion. Recalls from layoff should utilize an objective standard. An easy way to think of a recall for process purposes is that it is a reverse layoff. The same considerations should apply. Along those lines, it is a good idea for the city to determine its “call-back” criteria in advance and have it approved by the city council so the city can show that the method used was systematic and consistent. Again, a city needs to be sure to review its personnel policies, civil service rules, and/or union contracts as these documents may outline a procedure to follow when calling employees back to work. By using a systematic method, the city can ensure any protected status employees (e.g., veterans, minorities, disabled employees) are treated fairly.

4. Using volunteers after the layoff

For some cities, volunteers are a way to get work done after an employee layoff has occurred. It is important the city ensures, however, that any volunteer doing work previously performed by an employee, is qualified to do such work. In other words, the volunteer should have the same qualifications required of an employee in that position (background, training, education, certifications, etc.) If an employee who does snowplowing is required to have a commercial driver's license, then a volunteer doing the same function (even if the volunteer is doing it on a very occasional and sporadic basis) should have a commercial driver's license.

There is no specific law that prohibiting a volunteer from doing a non-union city employee's job duties. However, other laws and contractual obligations may make this either difficult or not practical. Again, the city will want to make sure the volunteer has all the appropriate licenses and qualifications to be able to do the job.

RELEVANT LINKS:

LMC information memo,
[LMCIT Workers
Compensation Coverage
Guide](#), section II C. 7, City
volunteers.

For union employees, this is a more difficult question. Common layoff language in union contracts requires the layoff of probationary, seasonal or temporary employees first. It can reasonably be expected unions would object to using someone other than a laid off bargaining unit member to perform union work. In disputes over such an action, the union may argue the layoff language prohibits this use of volunteers. In addition, the union may argue that it constitutes an impermissible contracting out of bargaining unit work. Reference to the limitations on subcontracting in this document should be reviewed prior to making any decisions related to the use of volunteers rather than laid off union employees. The Brainerd fire department case discussed earlier also illustrates the dangers of replacing union employees (whether laid off or not) with volunteers.

Cities need to be aware of the potential liabilities created when using volunteers to replace employees. Emergency response volunteers, such as volunteer firefighters and volunteer first responders, are considered employees for purposes of workers' compensation, and they are covered under the city's workers' compensation coverage. Other kinds of volunteers, such as coaches in recreation programs and volunteers working on city construction projects, are not covered by the city's workers' compensation coverage because they are not considered employees of the city (it is important to note that providing volunteers with a nominal payment for their services does not make them employees nor eligible for workers' compensation coverage).

Volunteers other than emergency response volunteers, however, are protected by LMCIT's volunteer accident coverage, which is provided to all members of LMCIT's workers' compensation program. While benefits are more limited than workers' compensation, it does provide some "no-fault" benefits to volunteers injured while conducting work for the city. More information about such coverage is available in the LMCIT risk management memo, LMCIT Workers' Compensation Coverage Guide. Finally, the definition of nominal pay or expense reimbursement is not always clear. If the payments to volunteers are deemed to be wages, minimum wage and overtime obligations will kick in. It is wise to have the League or your city attorney review any compensation/reimbursement plan established for volunteers.

F. How can a city help employees through this difficult time?

1. Assign a contact person(s)

Identify one or more employees to be the contact(s) for employee questions that are likely to come about.

RELEVANT LINKS:

[MN Unemployment Insurance.](#)
[MN Career Force Centers.](#)

Stybel Peabody, a Boston leadership and outplacement consultancy, also recommends maintaining communication and including former employees in events such as alumni networks.

2. Minnesota Workforce Centers

Inform workers they may obtain applications for unemployment benefits and may register for job placement assistance. Employees can visit the State's career development and talent matching resource (follow links in left column).

3. Group health benefits

Educate employees about the benefit continuation options available to them. Make sure they understand the deadlines for electing coverage and for making payments for the continued coverage. If the employee has family coverage, remember the covered family members also likely have continuation options. It is also important to inform employees about the benefits that will be ending with their layoff from city employment (i.e., those benefits that have no requirement for continuation).

4. Employee assistance program (EAP)

In the stressful landscape of a layoff amidst the COVID-19 global health crisis, it can be helpful if the city provides contact information for a city's EAP (if there is one in place). The city may even want to consider having a counselor from the EAP devoted to talk to employees before or after the layoff occurs. A layoff impacts the employees being laid off, their family members, and the people who still work at the city. Some major health insurance carriers offer EAP benefits as part of their health coverage. Even if the city does not have an EAP, it may want to consider hiring the services of an EAP on a one-time basis to help employees get through the psychological and financial issues associated with being laid off.

5. Security

In the interest of both the city and the employees being laid off, the city should be sure to obtain all city items from employees being laid off before they leave employment. The transition for employees is likely to be difficult. Laid off employees should not be put in the position of having to return to city hall with various pieces of city property because the city forgot to take care of this. For example, keys to city equipment and keys or access cards to city buildings and facilities should be collected, computer passwords and voice mail codes should be changed, employee identification badges should be retrieved, etc. The use of a termination/separation checklist is a key component of a workplace violence prevention program.

RELEVANT LINKS:

Vbgov, Hillard Heintze Final Report for Virginia Beach

A sample checklist and explanation can be found on page 150-151 in the linked document to the left. It is also a good idea to keep the city's police department informed with the timing of layoff activities.

6. Outplacement services

Especially if many employees will be laid off, the city may wish to consider providing employees access to outplacement services. Outplacement is the idea of providing current employees who are about to be laid off (or otherwise terminated) with assistance in obtaining new employment. Typically, outplacement is done in conjunction with a consultant. A qualified outplacement consultant might help an employee update a resume, assess job related strengths and weaknesses, identify what is desired in the next job, and help decide if another job is what is wanted immediately or if additional education or skills training would be more appropriate. The consultant may also familiarize the employee with those areas in which a job that meets his/her qualifications and interests is likely to be found. A consultant hired to do outplacement on behalf of the city can provide the level of service the city chooses, from assisting laid off employees with updating their resumes to job counseling and coaching activities.

G. Job Elimination / Reorganization

Sometimes an employer will attempt to reorganize a work group, division or department for the sole purpose of eliminating the job of an employee who is not a good performer or has other misconduct issues. This is not an ideal practice because the true reason for the reorganization is often transparent to a jury, an arbitrator or a veteran's preference panel and can lead to an unfavorable decision for the employer.

If the city wishes to reorganize for other reasons, it should take care to document the reasons for the reorganization. The documentation should answer questions such as:

- How is the reorganization going to help the city conduct business more efficiently and more effectively?
- How will customer service to residents be improved?
- What priorities have changed in the city that makes this reorganization appropriate?
- Was the decision to reorganize made at the highest levels by top decision-makers for policy-level reasons?
- Will the city save costs by reorganizing the function?
- When was the decision made and did the decision-makers take care to think through all the consequences of the decision?
- Were multiple or alternative plans considered?

RELEVANT LINKS:

By taking the time to answer these questions and document the answers, the city will be better able to defend itself if an employee who loses his or her job sues the city or files a grievance.

Two final considerations for cities that reorganize a city function in a way that eliminates jobs:

- The veteran's preference law generally doesn't apply in a good faith layoff but could apply if the layoff results in duties being reshuffled to less senior, non-veteran employees.
- The city should not expect to rehire for a position that was eliminated anytime soon as this action would likely cause suspicion as to the city's motives for reorganization.



To: City Council

Date: 05/13/20

Agenda Heading: City Administrator's Report

"It's spring fever.... You don't quite know what it is you do want, but it just fairly makes your heart ache, you want it so!" --**Mark Twain**

- **Gas tax declines projected.** In a recent story published by the Star Tribune: <https://www.startribune.com/money-for-state-road-work-headed-downward-in-covid-19-pandemic/569920602/>, the Minnesota Department of Transportation (MnDOT) stated it anticipates a sharp decline in gas tax revenues as a result of reduced trips under the stay-at-home order. According to the article, "MnDOT predicts income from the gas tax will plummet by about 30% compared with what was anticipated for the rest of this fiscal year, which runs through June 30. During the 2021 fiscal year, which starts July 1, the agency said it might drop by 15%." This will reduce the most significant funding stream for state and county highways and for municipal state aid streets. Hopefully, our scheduled 2021 projects funds have already been allocated. This will very possibly mean that extending 16th Street westward will be delayed.
- **Continuance of penalty forgiveness.** For the past 2 months the Council authorized the waiving of late penalty fees and the halting of disconnections. As a result, the staff here have facilitated that process. I am asking for updated guidance from the Council regarding this issue. One problem we've detected is that a certain number of customers have become rather arrearers on their bills and there are concerns that if disconnections and penalties are not reinstated, the collection of those revenues may become very difficult to accomplish. In the case of homeowners, assessment of properties maybe possible, however with renters it is very problematic. Please advise as to your views on this issue.
- **City Clean-up finished.** By using the reallocated staff hours, the City-wide clean-up was completed ahead of schedule this last week. We expect there will be some stragglers, but that is not uncommon. With that finished, city crews have begun their summer patching and blacktopping. One road they worked on last week was 10th Ave NE by the school. It serves as the only access to that particular subdivision. Keep that road in mind because it is likely a candidate for repair/reconstruction next year. Apparently, it was never built properly and even with the patching, it's not going to weather next winter very well.

I have begun receiving nuisance complaints, and while this is typical, the amount of recourse City Hall has regarding these issues is rather minimal. I plan on coordinating with the new Police Chief to implement a "spring sweep-nuisance compliance" review beginning in the Spring of 2021. This will mean that the residents will receive better service and we may have a stricter enforcement from the outset of the summer season. I think the residents deserve that sort of support. Let me know if you have questions.

- **State Budget Crisis.** On Tuesday last week, the Walz administration released an updated budget forecast. As many expected, it was rather sobering news. It projects a \$2.42 billion budget deficit in wake of COVID-19. This is over a \$ 4 billion swing from the \$1.5 billion surplus forecast in February 2020. Commissioner Myron Frans noted that cuts are going to be difficult because most of the state's spending goes to public school districts and to medical assistance and social services programs.

Two weeks ago, state economist Laura Kalambokidis told the Administration that trying to update the state forecast was going to be very difficult because the data that is often relied on to estimate the future of the economy either isn't available or is incomplete. The best example of that is tax collections that are often a quick look at activity but that have been delayed as a way of helping businesses and individuals weather the crisis. This week she said the one piece of hard data is the use of unemployment insurance in Minnesota. Since March 15, **600,000 Minnesotans have applied for benefits**, far outreaching the entire demand during the Great Recession of 2007-09. This likely means intergovernmental revenue i.e. LGA, police aid and fire aid, will come under scrutiny for reductions in the next biennium budget. I will keep the Council updated as I hear more info.

- **Proposed Absentee only Primary.** Dodge County staff are considering implementing an all-absentee ballot process for the 2020 primaries. I think this would be an interesting experiment and it would save the City a substantial amount of money. Currently the City does not have any competitive items for the primary ballot. I believe the November elections should continue to be held in person due to security concerns but going forward we will be seeing more push for the mail-in option.
- **House Property and Local Tax Division Legislation.** The initial bill includes a number of provisions of interest to cities, but notably excludes all 20 local sales tax requests that had been proposed under the revised statutory process enacted in 2019. The bill effectively imposes a moratorium on new local sales taxes during the 2021 legislative session. It requires that a resolution for a local sales tax be passed in the 12-month period prior to the start of that session, while also prohibiting local governments from passing a resolution between March 1, 2020, and July 1, 2021.

The bill also allows counties to choose an interim date to distribute property tax receipts between the June and November distribution dates. Many counties are waiving penalties on late property taxes that are due on May 15. Without legislative clarification, counties might not be able to distribute late May tax payments until November.

Finally, the proposal would allow tax increment financing (TIF) authorities to transfer unobligated increment to the municipality's general fund. The transferred increment is limited to the excess of increment that is required to make bond payments or other financial obligations within six months of the transfer. Transfers under this authorization could be made through Dec. 31, 2021. This authorization includes a requirement for the municipality to approve a spending plan, amend the TIF plan, and hold a public hearing that discusses the use of transferred increment.

- **2019 Audit Finished.** Nancy and I reviewed the results with our auditors last week. Overall numbers were generally within expectations. The losses due to flooding in 2019 were large and plan to recoup some of those in 2020. Thanks to Nancy for her hard work on this!

Meetings and Events Attended

April 14	Ice Area Board Meeting
April 15	CMPAS Meeting
April 16	CEDA City Attorney City Engineer
April 20	Planning Commission
April 21	Park & Rec Meeting
April 22	Council Worksession Regular Council Meeting
April 23	Department Heads meeting
April 24	Personnel Committee EDA Loan Review
April 29	ICS Meeting Special Council Meeting
May 5	CEDA EDA Board
May 6	Draft Audit Review
May 7	Engineering Hwy 57 discussion
May 8	Arbor Day Ceremony
May 12	Library Board
May 13	Chamber of Commerce City Council Meeting-Audit Review



Memo: Financial Concerns for Kasson 2020-2021 Budget

Cities are facing many financial uncertainties in light of the COVID-19 pandemic. The financial market is volatile where municipal debt is now riskier while interest rates on deposits are low. As employers, cities are having to make difficult decisions on layoffs, furloughs, hiring freezes, and/or not bringing on summer seasonal staff. Revenues from local taxes and the operation of municipal facilities, programs, and services are also unpredictable for the next several months.

Property tax considerations

Property taxpayers are generally required to make payments are made on May 15 and October 15. Counties then generally distribute those tax receipts around June 20, and at the end of November with smaller distributions of late taxes in early July and the end of January.

Under current economic conditions, and possibly due to actions by counties to waive penalties on late property tax payments ([under Minn. Stat. § 279.01, subd. 2](#)), there may be a higher rate of late property tax payments that occur after the July distributions to cities. Under current law, those late receipts are not required to be distributed by counties until November. Cities should be aware of two options to request distributions outside of the statutory distribution timeline:

- **Interim distributions of property tax receipts ([Stat. § 276.11](#))**
Upon written request of the taxing district, to the extent practicable, the county treasurer shall make partial payments of amounts collected periodically in advance of the next settlement and distribution.
- **Interim distributions of property tax receipts ([Stat. § 276.11](#))**
Upon written request of a taxing district, except school districts, the county treasurer shall pay at least 70 percent of the estimated collection within 30 days after the settlement date determined in section 276.09.

State aid considerations

LGA payments are made twice a year: July 20 and December 26. This payment structure has two alternatives:

1. **Early Distribution of LGA due to natural disaster ([Stat. 477A.015](#))**
If a city experiences financial hardship due to a natural disaster, the December payment can be made at the direction of the Commissioner of Public Safety any time after July 20.
2. **Early distribution due to cash-flow challenges ([Stat. 477A.015](#))**
If a city has cash flow challenges, the city can request that the December 26 payment be made at any time after August 15.

Possible state aid reductions

Although somewhat unlikely at this time (April 2020), there is always a possibility that with the rapid worsening of the general fund budget, the state could retroactively reduce LGA payments scheduled for this year through one of two methods:

1. If the legislature is in session, the legislature could pass a bill to retroactively cut LGA payments this July and/or December.
2. LGA could be “unallotted” (cut) by the governor if these conditions exist:
 1. The state would have to determine a deficit would occur before the end of the biennium. Currently, the last budget forecast reported a surplus of \$1.5 billion.
 2. The state would have to use the entire budget reserve account, currently funded at \$2.3 billion and if a deficit still exists, the Governor could exercise a power known as “unallotment” where he can reduce previously appropriated amounts in the state budget.

Borrowing options

- **Tax anticipation certificates** ([Stat. § 412.261](#) (statutory city) [Minn. Stat. § 410.325](#) or (charter city))

Cities may issue certificates of indebtedness in anticipation of the collection of taxes levied for any fund and not yet collected. They may be issued on or after the first day of the year following the annual tax levy and must be payable no later than April 1 of the following year. These “tax anticipation certificates” may be tax-exempt, but in that case are subject to strict rules under federal laws and regulations. Tax anticipation certificates are relatively uncommon, and often reflect financial stress or other unusual factors that require this type of interim borrowing.

- **Public emergency certificates** ([Stat. § 475.754](#))

If a city must make extraordinary expenditures due to a natural disaster or other public emergency, and taxes and other funding are insufficient to cover the cost in a given year, the city may authorize the sale of certificates of indebtedness. The certificates must mature within three years, are exempt from public sale requirements, and are not included in the “net debt” of the issuing city. All certificates and interest thereon must be payable from taxes levied within existing limitations or from other available revenue. Nothing in Chapter 475 expressly exempts these certificates from voter approval, but such exemption is implied by the fact that they are authorized only in public emergencies (i.e., the time-consuming election would defeat the purpose of the borrowing).

- **Emergency Debt Certificates** ([Stat. § 475.755](#))

If the income of a city is reasonably expected to be reduced below the amount anticipated in its budget when the final property tax levy was certified, and those receipts are insufficient to meet the expenses incurred or to be incurred during the fiscal year, a city can issue certificates of indebtedness that mature within two years or less from the end of that fiscal year. The maximum amount the certificates may be issued for in a fiscal year is the expected reduction and the costs of issuance. The certificates must be repaid by a levy that, according to the Department of Revenue, is not subject to or included in a city’s levy limit.

- **Lease-Purchase Authority** ([Stat. § 465.71](#))

As an alternative traditional bond financing, cities are authorized to acquire real or personal

property by entering into a “lease-purchase agreement,” under which the seller retains title to the asset until the lease is fully paid. The city, as lessee, pays rent that includes an interest component — lease payments are the functional equivalent of principal and interest on a bond. At the end of the lease term, the city takes title to the subject asset. The key feature of a lease-purchase agreement is that the city must retain the right to terminate the agreement at the end of any fiscal year during its term, by a provision known as a “non-appropriation clause.” This right must not be burdened by penalties so great that they make termination a practical impossibility. Because of this non-appropriation right, a lease is not an “obligation” as defined in Chapter 475 — it is not a promise to pay money at a fixed future date, precisely because a city may choose simply to terminate and make no further payment. A lease-purchase transaction is therefore not subject to voter approval or any other portion of Chapter 475, with one exception: if the amount of the lease exceeds \$1 million, that amount is treated as net debt for the purposes of the debt limit under Minn. Stat. § 475.53

- **Borrowing under the new Municipal Liquidity Facility**

In early April, the Federal Reserve announced the creation of the Municipal Liquidity Facility, which will support up to \$500 billion in short-term lending to states and local governments. The primary purpose of the Municipal Liquidity Facility is to aid the cash crunch that many states will experience due to congressional action to delay the federal tax filing deadline to July 15th. Eligible uses of proceeds include state and local reductions of tax and other revenues or increases in expenses related to or resulting from the COVID-19 pandemic. The program defines eligible notes that can be acquired under the program as tax anticipation notes (TANs), tax and revenue anticipation notes (TRANs), bond anticipation notes (BANs), and other similar short-term notes issued by an eligible issuer, provided that such notes mature no later than 24 months from the date of issuance. Under the program, no cities in Minnesota are directly eligible to access this program and cities will have to work through the state to be able to access short-term funds. *At this time, we are waiting on implementation information from the state and legislative authorization may be needed.*

Expenditure Assistance

Under the federal CARES Act, Minnesota will receive \$2.2 billion in federal assistance to cover only those costs that:

- Are necessary expenditures incurred due to the public health emergency with respect to the coronavirus disease 2019 (COVID-19);
- Were not accounted for in the budget most recently approved as of the date of enactment of this section for the state or government; and
- Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

While no cities in Minnesota meet the 500,000 population threshold for the local unit of government direct payment, the state may be allowed to pass a portion of the state share to cities as long as the funds are used for an eligible use under Section 601, subsection (d) of the act noted in the bullet points above. It is also important to note that this assistance is directed to unexpected COVID-related expenditures and is not likely available for unexpected revenue losses. Due to the restrictions on the use of funds, cities should prepare by tracking unexpected COVID expenditures since March 1. If cities can access the state share of this funding, it is likely documentation will be needed. At this time, we are waiting on implementation information from the US Treasury and the state of Minnesota.



PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT, by and between **City of Kasson** hereinafter referred to as the "Client" and WHKS & Co., hereinafter referred to as "WHKS", is made as follows:

WHEREAS, the Client has a need for certain professional services relating to the project described as **16th Street NW Extension**.

WHEREAS, WHKS proposes to furnish the professional services required by the Client for said project,

NOW THEREFORE, the Client hereby agrees to retain and compensate WHKS to perform the professional services in accordance with the terms and conditions of this Agreement and the attached Standard Terms and Conditions.

Scope of Services

WHKS shall perform the following described services for the Client:

Design, bid, and construction phase engineering services as described on the attached Scope of Services included in Exhibit A.

Basis of Compensation

For the services described above, the Client shall remunerate WHKS as follows:

Items 1-3 (Design Phase) – Billed hourly with an estimated fee of \$360,000.

Items 4-5 (Construction Phase) – Billed hourly with an estimated fee of \$240,000.

Item 6 (Easements/Right of Way/Agreements) – Billed hourly with an estimated fee of \$64,000.

Total estimated fee of \$664,000. Expenses billed at actual cost and mileage at the current published IRS rate per mile. External expenses include an administrative charge of 10 percent.

Permit and plan distribution fees to be paid by the client.

Executed this _____ day of May, 2020

City of Kasson

WHKS & CO.

By: _____

By: _____

Printed Name: _____

Printed Name: William Angerman

Title: _____

Title: Exec. Vice President, COO



Exhibit A to Professional Services Agreement

A. Project Description

The 16th Street NW Extension project consists of constructing a roundabout at the intersection of TH 57 and 16th Street NE and extending 16th Street NW from TH 57 to Dodge County Road 21. The proposed improvements are included in a feasibility report dated October 18, 2019.

The improvements are shown on the on the attached Figure 2 – Proposed Schedule. The following project schedules are included in the project:

Schedule 1 - Roundabout at the intersection of TH 57 and 16th Street NE.

Schedule 2 - Extension of 16th Street NW from TH 57 to the west across the Schutte Property.

Schedule 3 - Extension of 16th Street NW from County 21 to the east to the limits of Schedule 2.

Schedule 5 – Sanitary sewer extension to serve the properties along the west side of TH 57.

Schedule 4 – Not a part of the proposed improvements

It is anticipated that the project will be partial funded by the Municipal State Aid Funds and The MnDOT – Local Partnership Program grant received for the project

B. Scope of Services Provided Under This Agreement:

1. Project Management and Meetings

- Perform general project administrative duties including supervision and coordination of the project team, review of project costs and billings, prepare invoices using Consultant's standard forms, preparation of monthly status reports, and general administrative activities.
- Coordinate project design and plan reviews with MnDOT.
- Hold kick-off meeting with Client to discuss the project and review the scope.
- Advise the Client of the necessity of obtaining Special Engineering Services as described in Paragraph C., and act as the Client's representative in connection with any such services not actually performed by WHKS.
- Attend eight (8) meetings for the project.

2. Topographic Survey and Research of Existing Conditions

- Prepare a site topographical survey to support new facilities exclusive of boundary surveys for land, right-of-way and easement acquisitions.
- Develop project control and base map for the project.
- Locate the existing underground utilities as located by the Gopher State One Call locate system.
- Collect, obtain and review relevant information from the Client.

3. Preliminary and Final Design

- Prepare preliminary and final plans and specifications to show the character and scope of work to be performed by contractors on the Project. Plans will follow MnDOT and MnDOT State Aid standards.
- Geotechnical Engineering services will be performed by a subcontractor to WHKS under this contract. Geotechnical services to include soil borings, pavement design and material testing.
- Prepare forms of advertisement for bids, contractor's proposal, construction agreement, payment bond and performance bond for approval by the Client, subject to prior review and approval by Client's Attorney, Bond Counsel, and/or Fiscal Agent.
- Prepare opinion of probable construction cost on completed plans and specifications.
- Furnish two (2) original signed copies of the plans, specifications, and other contract documents as required to the Client.
- Furnish plans and specifications to bidders through the use of a web based plan room.
- Answer contractor's questions during the bidding phase.
- Prepare addendums to the contract documents prior to bid letting, if necessary.
- Assist in the receiving and tabulation of Contractors' proposals and assist in awarding construction contract.
- A Storm Water Pollution Prevention Plan (SWPPP) will be prepared.
- Prepare and submit applicable construction permit application package to MPCA for the Construction Stormwater Permit.
- Complete and submit the MnDOT required design submittal forms.
- Submit preliminary plans, final plans and specifications to MnDOT for review, comment, and approval.

4. Construction Administration

- Provide construction administration assistance during construction. Contract administration assistance activities conducted during project construction include clarification of design details, periodic visits to the construction site to observe the progress of work, review of shop drawings, review periodic payment estimates for completed construction work and recommend payments for processing, prepare change orders when required, and prepare the final summary of construction costs.
- Conduct a preconstruction meeting with Client, Contractor and Utility Owners.
- Provide construction staking.
- Prepare record drawings from Contractor provided "mark-ups" at the completion of the construction.
- Provide construction updates to the Client.

5. Construction Observation

- Provide resident project observation services during the construction of the Project. Resident observation is a part time function during construction. Duties are to provide on-site evaluations of the Project progress in accordance with the plans and specifications and report said progress to the Engineer. Additionally, the observer maintains a log book recording conditions at the job site, weather, record of visitors, summary of daily activities, actions taken, observations in general and assists in recording data for eventual preparation of Record Drawings. The observer duties do not include construction means, methods, procedures, and job-site safety. Fee based on 1200 hours of observation and travel time.

- The testing of materials will be provided by a subconsultant to WHKS.

6. Easements/Right-of-Way/Agreement Acquisition

- Assist City staff with the acquisition of easements and/or right-of-way.
- Assist City staff with the dedication of right-of-way.
- Prepare figures and/or certificate of surveys to complete any needed acquisitions.
- Assist City staff with negotiating relocations of existing utilities.
- Assist City staff with preparation of the development agreement and/or connection agreements for the benefiting adjacent property.
- Assist City staff with driveway relocations with existing properties.
- Assist City staff with any eminent domain process.

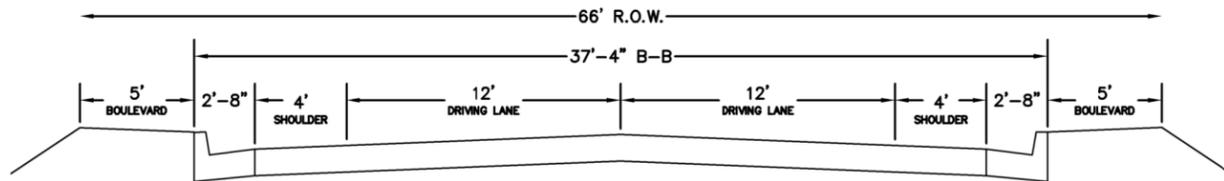
C. Special Engineering Services:

Special Engineering Services are those services not listed above, but which may be required or advisable to accomplish the Project. Special Engineering Services shall be performed when authorized by the Client for additional fees, to be determined at the time authorized.

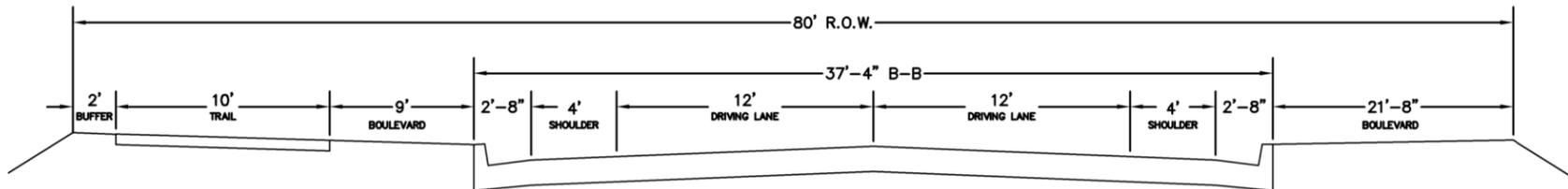
Special Engineering Services include:

1. Appraisal of properties
2. Permits other than those identified above
3. Wetland Delineations or mitigation plans
4. Floodplain and hydraulic/hydrologic modeling
5. Water and/or sanitary sewer rate studies
6. Geotechnical design/recommendations
7. Cultural resource survey or other studies or documentation that may be required by regulatory agencies that are not specifically listed in the scope of services
8. National Environmental Policy Act (NEPA) compliance, including historical and archeological investigations
9. Attendance at additional meetings (other than those listed above)

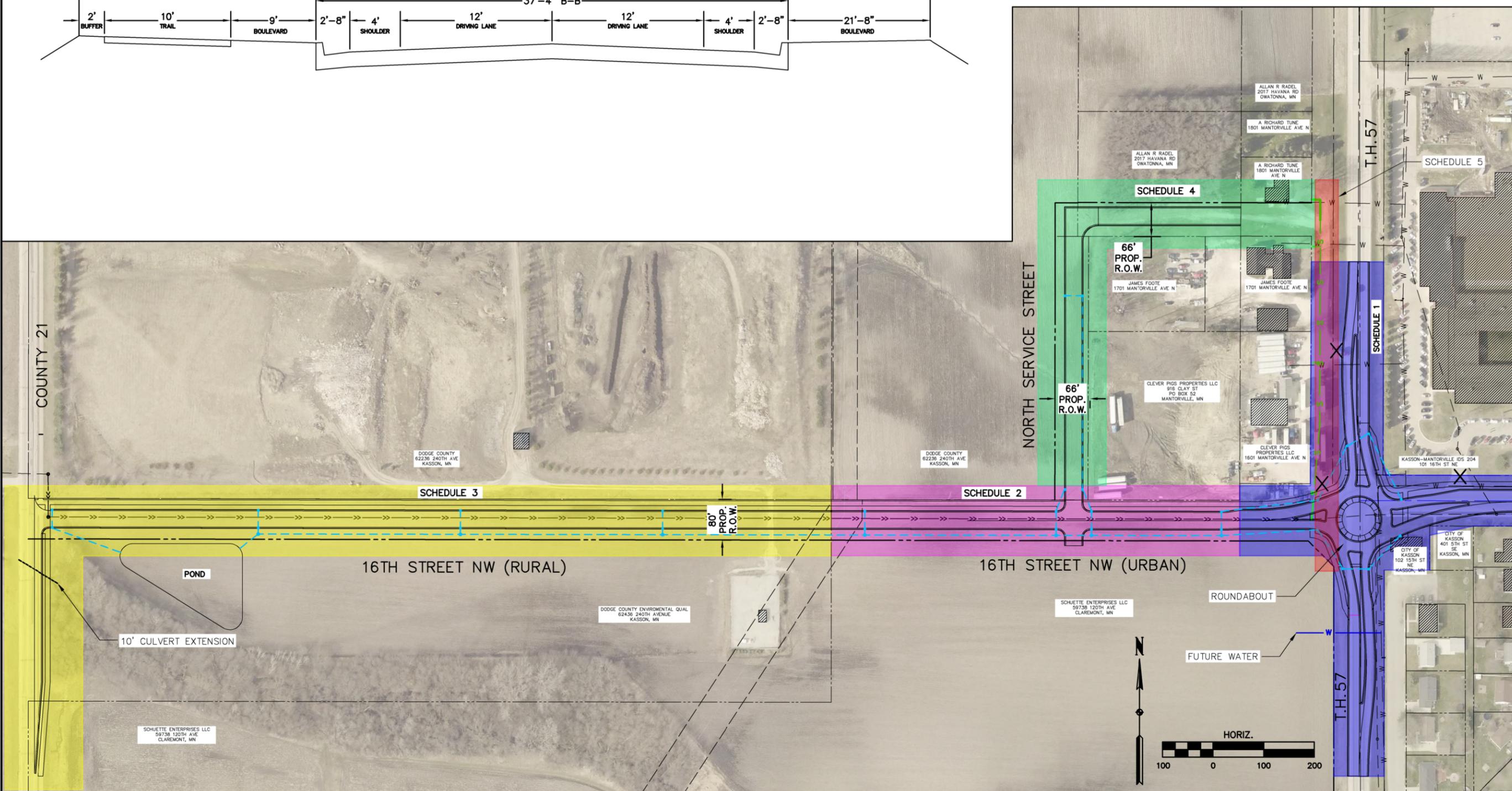
NORTH SERVICE STREET



16TH STREET NW



- SCHEDULE 1
- SCHEDULE 2
- SCHEDULE 3
- SCHEDULE 4
- SCHEDULE 5
- EXISTING SANITARY SEWER FORCEMAIN
- PROPOSED SANITARY SEWER
- PROPOSED STORM SEWER
- CLOSED ACCESS



REVISIONS	
NO.	DESCRIPTION

FIGURE 2 - PROPOSED SCHEDULE

16TH ST NW EXTENSION
KASSON, MN
2019

SCALE: AS SHOWN
WHKS PROJECT NO. _____

DRAWN BY: MR
CHECKED BY: BWT

SHEET
1 OF 1

STANDARD TERMS AND CONDITIONS FOR PUBLIC SECTOR PROJECTS

1. Scope of Services

Client and WHKS have agreed to a list of services WHKS will provide to Client as listed on the Professional Services Agreement Form.

2. Governing Law

The laws of the State of Minnesota will govern this Agreement, its interpretation and performance. Any litigation arising in any way from this Agreement shall be brought in the courts of that State.

3. Standard of Care

Services provided by WHKS under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances and locality.

4. Integration

This Agreement comprises the final and complete agreement between Client and WHKS. It supersedes all prior communications, representations, or agreements, whether oral or written, relating to the subject matter of this Agreement. Execution of this Agreement signifies that each party has read the document thoroughly. Amendments to this Agreement shall not be binding unless made in writing and signed by both Client and WHKS.

5. Guarantees and Warranties

WHKS shall not be required to sign any documents, no matter by whom requested, that would result in WHKS having to guarantee or warrant the existence of conditions whose existence WHKS cannot ascertain. Client also agrees not to

make resolution of any dispute with WHKS or payment of any amount due to WHKS in any way contingent upon WHKS signing any such guarantee or warranty.

6. Indemnification

WHKS agrees, to the extent permitted by law, to indemnify and hold Client harmless from any damage, liability or cost (including reasonable attorney's fees and costs of defense) to the extent caused by WHKS' negligent acts, errors or omissions in the performance of professional services under this Agreement and those of its subconsultants or anyone for whom WHKS is legally liable.

Client agrees, to the extent permitted by law, to indemnify and hold WHKS harmless from any damage, liability or cost (including reasonable attorneys' fees and costs of defense) to the extent caused by Client's negligent acts, errors or omissions and those of Client's contractors, subcontractors or consultants or anyone for whom Client is legally liable.

Neither WHKS nor Client shall be obligated to indemnify the other party in any manner whatsoever for the other party's own negligence.

7. Billing and Payment Provisions

Invoices shall be submitted by WHKS monthly and are due upon presentation and shall be considered PAST DUE if not paid within thirty (30) calendar days of the invoice date.

If payment is not received by WHKS within thirty (30) calendar days of the invoice date, Client shall pay as interest an additional charge of one

and one-quarter percent (1.25%) of the PAST DUE amount per month. Payment thereafter shall first be applied to accrued interest and then to the unpaid principal.

If Client fails to make payments within sixty (60) days from the date of an invoice or otherwise is in breach of this Agreement, WHKS may, at its option, suspend performance of services upon five (5) calendar days' notice to Client. WHKS shall have no liability whatsoever to Client for any costs or damages as a result of such suspension caused by any breach of this Agreement by Client. If Client fails to make payment to WHKS in accordance with the payment terms herein, this shall constitute a material breach of this Agreement and shall be cause for termination by WHKS.

In the event legal action is necessary to enforce the payment provisions of this Agreement, WHKS shall be entitled to collect from Client any judgment or settlement sums due, reasonable attorneys' fees, court costs and expenses incurred by WHKS in connection therewith and, in addition, the reasonable value of WHKS personnel time and expenses spent in connection with such collection action, computed at WHKS current fee schedule and expense policies.

Payment of invoices is in no case subject to unilateral discounting or set-offs by Client, and payment is due regardless of suspension or termination of this Agreement by either party.

8. Ownership of Records

All reports, plans, specifications, field data and notes and other

documents, including all documents on electronic media, prepared by WHKS as instruments of service shall remain the property of WHKS.

Client shall be permitted to retain copies, including reproducible copies, of the plans and specifications for information and reference in connection with Client's use of the completed project. The plans and specifications shall not be used by Client or by others on other similar projects except by agreement in writing by WHKS.

9. Delivery of Electronic Files

In accepting and utilizing any drawings, reports and data on any form of electronic media generated and provided by WHKS, Client covenants and agrees that all such electronic files are instruments of service of WHKS, who shall be deemed the author, and who shall retain all rights under common and statutory laws, and other rights, including copyrights. Client is aware that differences may exist between the electronic files delivered and the respective construction documents due to addenda, change orders or other revisions. In the event of a conflict between the signed construction documents prepared by WHKS and electronic files, the signed construction documents shall govern.

Client and WHKS agree that the electronic files prepared by WHKS shall conform to the current CADD software in use by WHKS or to other mutually agreeable CADD specifications defined in the Agreement. Any changes to the CADD specifications by either Client or WHKS are subject to review and acceptance by the other party. Additional efforts by WHKS made necessary by a change to the CADD specifications or other software shall be compensated for as Additional Services.

The electronic files provided by WHKS to Client are submitted for an acceptance period of 60 days. Any defects Client discovers during this period will be reported to WHKS and will be corrected as part of the Scope

of Services. Correction of defects detected and reported after the acceptance period will be compensated for as Additional Services.

Client agrees not to reuse the electronic files, in whole or in part, for any purpose or project other than the project that is the subject of this Agreement. ~~Client agrees not to transfer the electronic files to others without the prior written consent of WHKS, except as required by law.~~ ~~In addition,~~ Client agrees, to the extent permitted by law, to indemnify and hold WHKS harmless from any damage, liability or cost, including reasonable attorney's fees and costs of defense, arising from any changes made by anyone other than WHKS or from any reuse of the electronic files without the prior written consent of WHKS.

Under no circumstance shall delivery of the electronic files for use by Client be deemed a sale by WHKS and WHKS makes no warranties, either express or implied, of merchantability and fitness for any particular purpose. In no event shall WHKS be liable for any loss of profit or any consequential damages.

10. Changed Conditions

Client shall rely on the judgment of WHKS as to the continued adequacy of this agreement in light of occurrences or discoveries that were not originally contemplated by or known to WHKS. Should WHKS call for contract renegotiation, WHKS shall identify the changed conditions necessitating renegotiation and WHKS and Client shall promptly and in good faith enter into renegotiation of this Agreement. If terms cannot be agreed to, the parties agree that either party has the absolute right to terminate this Agreement.

11. Permits and Approvals

WHKS shall assist Client in applying for those permits and approvals typically required by law for projects similar to the one for which WHKS services are being engaged. This assistance consists of completing

and submitting forms as to the results of certain work included in the Scope of Services.

12. Suspension of Services

If the project is suspended for more than thirty (30) calendar days in the aggregate, WHKS shall be compensated for services performed and charges incurred prior to receipt of notice to suspend and, upon resumption, an equitable adjustment in fees to accommodate the resulting demobilization and remobilization costs. In addition, there shall be an equitable adjustment in the project schedule based on the delay caused by the suspension. If the project is suspended for more than ninety (90) calendar days in the aggregate, WHKS may, at its option, terminate this Agreement upon giving notice in writing to Client.

13. Termination

Either Client or WHKS may terminate this Agreement at any time with or without cause upon giving the other party seven (7) calendar days prior written notice. Client shall within thirty (30) calendar days of termination pay WHKS for all services rendered and all costs incurred up to the date of termination, in accordance with the compensation provisions of the Agreement.

14. Unauthorized Changes

In the event Client, Client's contractors or subcontractors or anyone for whom Client is legally liable makes or permits to be made any changes to any reports, plans, specifications or other contract documents prepared by WHKS without obtaining WHKS' prior written consent, Client shall assume full responsibility for the results of such changes. Therefore, Client agrees to waive any claim against WHKS and to release WHKS from any liability arising directly or indirectly from such changes.

Client also agrees, to the extent permitted by laws, to indemnify and hold WHKS harmless from any

damage, liability or cost, including reasonable attorneys' fees and costs of defense, arising from such changes.

15. Jobsite Safety

Neither the professional activities of WHKS nor the presence of WHKS or its employees and subconsultants at a construction site, shall relieve the General Contractor and any other entity of their obligations, duties and responsibilities including, but not limited to, construction means, methods, sequence, techniques or procedures necessary for performing, superintending or coordinating all portions of the construction work in accordance with the contract documents and any health or safety precautions required by any regulatory agencies. WHKS and its personnel have no authority to exercise any control over any construction contractor or other entity or their employees in connection with their work or any health or safety precautions.

16. Additional Services

Services which are requested by Client or are required as part of the Project, but are not included in the Scope of Services, are considered Additional Services.

WHKS will notify Client in writing when Additional Services will be needed. WHKS and Client will agree on the extent of the Additional Service(s) required and will agree on the method and amount of the compensation for performance of said agreed upon Additional Services.

WHKS will not perform Additional Services which will result in additional cost to Client without documented verbal or written authority of Client.

In the event WHKS is requested or required to participate in any dispute resolution procedure which involves any aspect of the Project, Client agrees to compensate WHKS for the reasonable value of WHKS' personnel time and expenses spent

in connection with such procedures computed at WHKS' then current fee schedule and expense policies.

17. Dispute Resolution

In an effort to resolve any conflicts that arise, Client and WHKS agree that all disputes between them arising out of or relating to this Agreement shall be submitted to nonbinding mediation unless the parties mutually agree otherwise.

18. Third Party Beneficiaries

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either Client or WHKS. WHKS' services under this Agreement are being performed solely for Client's benefit, and no other entity shall have any claim against WHKS because of this Agreement or the performance or nonperformance of services hereunder.

19. Extension of Protection

Client agrees to extend any and all liability limitations and indemnifications provided by Client to WHKS to those individuals and entities WHKS retains for performance of the services under this Agreement, including but not limited to WHKS officers and employees and their heirs and assigns, as well as WHKS subconsultants and their officers, employees, heirs and assigns.

20. Timeliness of Performance

WHKS will perform the services described in the Scope of Services with due and reasonable diligence consistent with sound professional practices.

21. Delays

WHKS is not responsible for delays caused by factors beyond WHKS' reasonable control, including but not limited to delays because of strikes, lockouts, work slowdowns or stoppages, accidents, acts of God, failure of any governmental or other

regulatory authority to act in a timely manner, failure of Client to furnish timely information or approve or disapprove of WHKS' services or work product promptly, or delays caused by faulty performance by Client or by contractors of any level. When such delays beyond WHKS' reasonable control occur, Client agrees WHKS is not responsible for damages, nor shall WHKS be deemed to be in default of this Agreement.

22. Right to Retain Subconsultants

WHKS may use the services of subconsultants when, in the sole opinion of WHKS, it is appropriate and customary to do so. Such persons and entities include, but are not limited to, aerial mapping specialists, geotechnical consultants and testing laboratories. WHKS' use of other consultants for additional services shall not be unreasonably restricted by Client provided WHKS notifies Client in advance.

23. Assignment

Neither party to this Agreement shall transfer, sublet or assign any rights under or interest in this Agreement (including but not limited to monies that are due or monies that may be due) without the prior written consent of the other party.

24. Severability and Survival

Any provision of this Agreement later held to be unenforceable for any reason shall be deemed void, and all remaining provisions shall continue in full force and effect.

25. Hazardous Materials

It is acknowledged by both parties that WHKS' Scope of Services does not include any services related to asbestos or hazardous or toxic materials. In the event WHKS or any other party encounters asbestos or hazardous or toxic materials at the jobsite, or should it become known in any way that such materials may be present at the jobsite or any adjacent areas that may affect the performance of WHKS services,

WHKS may, at its option and without liability for consequential or any other damages, suspend performance of services on the project until Client retains appropriate specialist consultant(s) or contractor(s) to identify, abate and/or remove the asbestos or hazardous or toxic materials, and warrant that the jobsite is in full compliance with applicable laws and regulations.

26. Joint Participation

The parties have participated jointly in the negotiation and preparation of all agreements between the parties. Each party has had an opportunity to obtain the advice of legal counsel and to review and comment upon this instrument. Accordingly, no rule of construction shall apply against any party or in favor of any party. This instrument shall be construed as if the parties jointly prepared it and any uncertainty or ambiguity shall not be interpreted against one party and in favor of another.

27. Record Documents

If required in the Professional Services Agreement, WHKS shall, upon completion of the Work, compile for and deliver to the Client a reproducible set of Record Documents that are based upon the marked-up record drawings, addenda, change orders and other data furnished by the Contractor or other third parties. These Record Documents may show certain significant changes from the original design made during construction. Because these Record Documents are based on unverified information provided by other parties, which the Consultant is entitled to assume as reliable, the Consultant does not warrant their accuracy.

Revised 02/23/07

Revised: 04/29/09

Modified: 04/16/15 per City of
Kasson comments.

5/1/2020

To council and city employees (friends):

It is with a fond heart that I write this letter of resignation effective 6/30/2020.

I look back on November of 1987, the time that the city took a chance on a young man to fill a full-time position with the city's police department. None of the employees I started with are still here, most have retired and a few have passed. Mr. Unger will have to take the old man position now :) I have been very fortunate through the years, working with so many good people, not only hard workers, but people with heart who care about the work they do and how they treat each other. With a small city and small departments you get to know each other, some are just work mates, but others become great friends, no matter what it comes down to, whether they are friends or work mates, we care what happens to each other.

Another thing I noticed and learned through the years that doesn't always happen in other cities. We work with each other helping to solve problems, whether it's holding a flashlight for an electrical worker working on an electrical box in the middle of the night (did this and there is a story to it) calling in water main breaks, looking for alarms, oh and the big one, working together to clean up properties :). Our fire department is another good example, as we work hand in hand with no type of power struggle. This is huge, as I have seen and heard with other departments the struggles they have in working together the same can be said for the Sheriff's office. We all work hand in hand to get a job done, just as it should be, we are all equal, no one is better than the other.

Through the years, you can believe I have seen many councils and administrators, some good some not so good. Some get on the council only having their own agenda in mind, not specific to what is best for the city. You see, we are a prosperous city growing each and every year even during economic down turns we continued to see growth. I hope that in the future, councils and administrators treat the city as it should be treated and look at the big picture of growth and plan ahead for such things, laying out a plan and then sticking to it. The problem I have seen with councils is that a council will come up with a long term plan and then another new council is elected and that council has its own agenda and doesn't follow the plan. For the sake of the city and its employees, I hope that in the future, with every new council, we can stick to a plan and put our individual biases aside.

Again thanks for all the support and trust in me through my many different roles in the police department. It has been a joy to work with all of you and the great citizens of our city who make this city special. I would especially like to thank my family at the police department. I am so proud of our men and women, they do an outstanding job day in and day out. I have no doubt this will continue with my successor.

Best wishes for the future,



LOL, yep that's a hint ;)

LABOR AGREEMENT

BETWEEN

CITY OF KASSON

AND

**MINNESOTA PUBLIC EMPLOYEES
ASSOCIATION**

Representing
Administrative, Liquor Store and Library Employees

Effective January 1, 2020 through December 31, 2021

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LABOR AGREEMENT
Between
The CITY OF KASSON
and
MINNESOTA PUBLIC EMPLOYEES ASSOCIATION

ARTICLE I. PURPOSE OF AGREEMENT

This Agreement is effective as of the 1st day of January, 2020, between the City of Kasson and the Minnesota Public Employees Association

It is the intent and purposes of this Agreement to:

- 1.1 Assure sound and mutually beneficial working and economic relationships between the parties hereto;
- 1.2 Establish procedures for the resolution of disputes concerning this Agreement's interpretation and/or application; and
- 1.3 Place in written form the parties agreement upon terms and conditions of employment for the duration of this Agreement.

The Employer and the Union through this Agreement, shall continue their dedication to the highest quality service to the City of Kasson. Both parties recognize this Agreement as a pledge of this dedication.

ARTICLE II. RECOGNITION

- 2.1 The Employer recognizes the Union as the exclusive representative under Minnesota Statutes Section 179A.03, Subdivision 14:

For all full time, non-supervisory employees of the City of Kasson not covered by other contracts.

- 2.2 The Employer shall not enter into any agreement covering terms and conditions of employment with the employees in the bargaining unit under the jurisdiction of this Agreement, either individually or collectively, which in any way conflicts with the terms and conditions of this Agreement, except through the exclusive representative.

ARTICLE III. DEFINITIONS

- 3.1 UNION: Minnesota Public Employees Association
- 3.2 UNION MEMBER: A member of the Minnesota Public Employees Association.

- 3.3 EMPLOYEE: A member of the bargaining unit covered by this Agreement.
- 3.4 REGULAR EMPLOYEE: A full time employee who has completed the probationary period.
- 3.5 PROBATIONARY EMPLOYEE: Employee who has not completed the 6-month probationary period.
- 3.6 EMPLOYER: The City of Kasson.
- 3.7 SCHEDULED SHIFT: A consecutive work period including rest breaks.
- 3.8 REST BREAKS: Two (2) fifteen (15) minute break periods during which the employee remains on continuous duty and is responsible for assigned duties.
- 3.9 LUNCH BREAK: An hour unpaid period rotated to allow regular business to continue.
- 3.10 P.E.L.R.A.: Public Employment Labor Relations Act, Minnesota Statutes, Chapter 179A.
- 3.11 SENIORITY: The employees' length of continuous employment with the City of Kasson.
- 3.12 EXEMPT: Exempt employees working for the City of Kasson meet the criteria outlined in one of the four Fair Labor Standards Act (FLSA) exemptions (Executive, Administrative, Professional and Computer) in order to meet the "duties" test and be considered exempt.

ARTICLE IV. EMPLOYER SECURITY

- 4.1 It is understood and agreed that the services performed by employees covered by this Agreement are essential to the public health and safety and neither the Union, its officers or agents, nor such employee shall engage in a strike. The term "strike" shall have the meaning ascribed to it by Section 179A.03, Subdivision 16, Minnesota Statutes.
- 4.2 In case any employee violates this Article, the Union shall immediately notify such employee in writing to cease such action and instruct him/her to return to his/her normal duties. Any employee who violates any provision of this Article may be discharged or otherwise disciplined.

ARTICLE V. EMPLOYER AUTHORITY

- 5.1 It is recognized that, except as expressly stated herein, the City shall retain whatever rights and authority necessary for it to operate and direct the affairs of the City in all its various aspects, including, but not limited to, the right to direct the working forces; to plan, direct and control all the operations and services of the department; to determine the methods, means organization, the number of personnel by which such operations and services are to be conducted; to assign and transfer employees; to schedule working hours and to assign overtime; to determine whether goods and services should be made or purchased; to hire, demote, suspend, discipline, discharge, or relieve employees due to lack of work or other legitimate reasons; to make and enforce reasonable rules and regulations; and to change or eliminate existing methods, equipment or facilities; the employer specifically retains the sole right to sub-contract for any or all of its manpower needs at any time.
- 5.2 The exercise of the foregoing powers, rights, authority, duties and responsibilities by the City, the adoption of policies, rules and regulations, and practice in furtherance thereof, and the use of judgment in connection therewith shall not be the subject of any grievance or arbitration proceeding except as specifically provided for in this agreement.

ARTICLE VI. UNION SECURITY

- 6.1 The Employer agrees to deduct from the wages of each Union member, upon written authorization of the employee, an amount equal to the regular dues of the Union, such deduction to be divided equally and taken from the first two pay periods each month, and to monthly transmit to the appropriate designated officer of the Union the total amount so deducted together with a list of the names of the employees from whose pay deductions were made.
- 6.2 The Union may designate one (2) employees from the bargaining unit to act as Union Stewards. The Employer agrees to recognize the designated Union Stewards.
- 6.3 The Employer shall make space available on the employee bulletin board for posting Union notices and announcements.
- 6.4 Non-employee representatives of the Union shall be permitted to come on the premises of the Employer at reasonable times for the purposes of investigating and discussing grievances, provided the Union representative does not interfere with the work of the employee.
- 6.5 The Union agrees to indemnify and hold the Employer harmless against any and all claims, suits, orders, or judgments brought or issued against the Employer as a result of any action taken or not taken by the Employer under the provisions of this Article.

ARTICLE VII EMPLOYEE RIGHTS - GRIEVANCE PROCEDURE

- 7.1 **DEFINITIONS OF A GRIEVANCE:** A grievance is defined as a dispute as to the interpretation or application of the specific terms and conditions of this Agreement.
- 7.2 **UNION REPRESENTATIVES:** The Employer will recognize representatives designated by the Union as the grievance representative of the bargaining unit having the duties and responsibilities established by this Article. The Union shall notify the Employer in writing of the name of such Union representative and of his/her successor when so designated.
- 7.3 **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 the employees and shall therefore be accomplished during normal working hours only when consistent with such employee duties and responsibilities. The aggrieved employee and a 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.
- 7.4 **PROCEDURE:** Grievance as defined in Section 7.1, 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 fourteen (14) 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 shall discuss and give 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, 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) 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 2A. If the grievance is not resolved at Step 2 of the grievance procedure, the parties, by mutual agreement, may submit the matter to mediation with the Bureau of Mediation Services. Submitting the grievance to mediation preserves timelines for Step 2 of the grievance procedure.

STEP 3. A grievance unresolved in Step 2 and appealed to Step 3 by the Union shall be submitted to arbitration subject to the provisions of the PELRA, as amended. The selection of an arbitrator shall be made in accordance with the rules established by the Bureau of Mediation Services.

7.5 ARBITRATOR'S AUTHORITY

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.

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.

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.

7.6 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 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 written agreement of the Employer and the Union in each step.

If the time limit specified in this Article falls on a Saturday, Sunday or holiday, the time limit for filing is extended to the next working day.

ARTICLE VIII. DISCIPLINE

8.1 The Employer will discipline employees for just cause only. Discipline shall be in one (1) or more of the following forms:

- 1) Oral reprimand;
- 2) Written reprimand;
- 3) Suspension;
- 4) Demotion; or
- 5) Discharge

8.2 Suspensions, demotions and discharges will be in written form.

8.3 Written reprimands, notices of suspension and notices of discharge which are to become part of an employee's personnel file shall be read and acknowledged by the signature of the employee. Employees and the Union will receive a copy of such reprimands and/or notices. Disciplinary matters contained in an employee's personnel file shall be reviewed by the City Administrator and the employee every twenty-four (24) months to determine whether a disciplinary matter should be removed from the employee's file. The decision regarding whether or not to remove a disciplinary matter shall be within the sole discretion of the City Administrator and the Administrator's decision shall not be the subject of a grievance.

8.4 Employees may examine their own individual personnel files at reasonable times under the direct supervision of the Employer.

8.5 Grievances relating to this Article shall be initiated by the Union in Step 2 of the grievance procedure under Section 7.4.

8.6 Prior to any vote by the City Council of the City of Kasson to eliminate any position held by any employee covered by this agreement, the Council shall be required to make bona fide findings of fact that either the functions delineated in the job

description of the position are unnecessary, not in the public interest or that the functions can be more efficiently and effectively performed by another member of the staff. In addition, prior to any vote by the City Council of the City of Kasson to eliminate any position held by any employee covered by this agreement, the Council shall be required to review the results of an external salary study to determine impact and the proposed distribution of job responsibilities and the effect on the pay scale and position points.

ARTICLE IX. HOURS OF WORK

- 9.1 The Employer is the sole authority in establishing work schedules.
- 9.2 The normal work day shall consist of consecutive hours of eight (8) hours.
- 9.3 The normal work week shall consist of an average of forty (40) hours per week. Mon-Fri 8AM-5PM for Administrative Staff, Mon-Sat for Liquor Store and Library Employees.
- 9.4 Starting the Friday before Memorial Day through Labor Day weekend the Administrative Office shall close to the public at Noon on Fridays. Those employees shall use vacation/comp time or work adjusted hours Mon-Fri to fulfill their 40 hours.

ARTICLE X. OVERTIME

- 10.1 Hours of work in excess of an average of forty (40) hours per week shall be paid for at the rate of one and one-half (1½) times the employee's regular straight-time rate of pay, except for those exempt employees.
- 10.2 Overtime shall be calculated to the nearest fifteen (15) minutes and approved by the supervisor.
- 10.3 Any work performed in excess of forty (40) hours in any one (1) week, or work performed on days not regularly scheduled shall be considered overtime and shall be paid for at the rate of one and one-half (1 ½) times the regular hourly rate pay. Vacation, holidays and bon-a-fide paid sick leave shall be considered time worked for the purposes of computing overtime. Employees shall not be required to take time off for overtime work.
- 10.4 Overtime hours, those worked in excess of forty (40) per week, may be paid in compensatory time off at a rate of 1 ½ hours for each hour worked. Compensatory time shall be authorized only by mutual consent of the City and the employee covered by this Agreement. Compensatory time shall be used up as time off as soon as it is practical and subject to mutual agreement by the employee and the Supervisor. Not more than eighty (80) hours of compensatory

time shall be carried forward from the end of any pay period or one (1) calendar year to the next.

ARTICLE XI. SENIORITY

11.1 Seniority shall mean an employee's length of employment time, and may be the basis of determining various employee benefits and preferences. Only continuous employment time shall count toward seniority. Seasonal or temporary work shall not count toward seniority. Authorized leaves of absence as well as lay-off for periods less than 365 calendar days shall be deemed continuous employment and shall not result in loss of seniority. Whenever an employee is re-employed following termination of his employment, his/her seniority date shall be the date of re-employment and all benefits shall be based on this new seniority date. The types of seniority are as follows:

11.1.a Seniority as a City Employee shall be the determining factor for benefits that are based on total length of service, such as vacation and sick leave. Time with more than one City department may be used, provided there is no interruption in employment at the time the employee transfers from one department to another.

11.1.b Seniority in the bargaining unit will be determined when filling vacancies in higher paying jobs. These vacancies may be filled by lower paid employees in accordance with their bargaining unit seniority provided the employee seeking the higher paying job is qualified to perform the duties of the job. Qualifications will be determined by the City Administrator or his/her designee, for recommendation for approval by the City Council.

11.1.c Seniority in a job classification will be determined in the event of layoff. Layoffs shall be effective by first laying off probationary, part-time and temporary employees. The last employee hired in a job classification may be the first to be laid off, and the last employee laid off may be the first to be rehired. In the event of layoff, employees promoted from jobs have the right to resume lesser jobs for which they qualify in classifications and in which they have held regular status, providing they have more bargaining unit seniority than the workers they displace. An employee may exercise job classification seniority only in his/her bargaining unit.

11.2 A seniority list of bargaining unit employees shall be established each January.

11.3 Management shall have the prerogative of deciding when there is an opening in the bargaining unit. When an opening occurs within the positions covered by this agreement, it shall be posted on the Union bulletin board for a minimum of five (5) working days. Within thirty (30) working days after the close of the posting, management must award this vacant position to any qualified bargaining unit employee that has applied for the job, qualifications being equal, bargaining unit

seniority shall prevail. The starting rate of pay for the employee shall be at least at the rate shown in the contract for the appropriate step which exists either current rate of pay or the new range.

- 11.4 Any employee awarded or bid into job vacancies shall be given thirty (30) calendar days to demonstrate their ability to meet the qualifications of the position and will be allowed within that time period to return to their prior position without loss of seniority or pay.

ARTICLE XII. HEALTH AND SAFETY

- 12.1 The Employer agrees to enforce all safety rules and to provide safety equipment and safe working conditions for its employees. Each employee agrees to become familiar with and adhere to all safety rules and to be aware of, know the use of, and properly use all safety equipment furnished to them by the Employer during their working hours. The Employer reserves the right to adopt or revise and enforce such safety rules as it deems necessary for the protection of its employees and property. The Employer agrees that, except in cases of emergency, it will present any proposed new or revised safety rules to the City Safety Committee for review and comment prior to the effective date of such rule.

ARTICLE XIII. WAGES

- 13.1 Wages shall be paid as described in Appendix A of this Agreement.
- 13.2 Progression through the step schedule on the anniversary date each year shall require satisfactory performance as determined by the employer but nothing shall prevent accelerated movement throughout the step schedule at the discretion of the employer.

ARTICLE XIV. HOLIDAYS

- 14.1 Regular full-time employees shall receive 80 hours to be divided equally among the designated holidays throughout the year. The City shall observe the designated holidays by conducting no official business, excluding those departments required to maintain necessary operations. Designated holidays are as follows:
- a. New Year's Day - January 1st
 - b. Martin Luther King Day - 3rd Monday in January
 - c. Washington's & Lincoln's Birthdays - 3rd Monday in February
 - d. Memorial Day - Last Monday in May
 - e. Independence Day - July 4th
 - f. Labor Day - First Monday in September
 - g. Veterans Day - November 11th

- h. Thanksgiving Day - 4th Thursday in November
- i. Day after Thanksgiving Day - 4th Friday in November
- j. Christmas Day - December 25th

14.2 Holidays falling on Sunday shall be observed on the following Monday by those employees working Monday through Friday. Holidays falling on Saturday shall be observed on the preceding Friday by such employees, with the exception of the New Year's Day Holiday, which shall be observed the following Monday or depending on work load as determined by the Supervisor, may be used as a Floating Holiday in the same calendar year. During years in which Christmas Eve falls on a weekday a half (1/2) day shall be observed as a holiday. If Christmas Eve falls on a weekend no holiday shall be observed.

14.3 All regular employees working twenty (20) hours or more a week on a year- round basis are eligible for holidays at their regular rate of pay on a pro rata basis.

14.4 Holiday Pay: An employee scheduled to work on a holiday will be given a choice of two (2) options:

OPTION 1. The employee scheduled to work any of the holidays listed above shall be paid their regular wages, plus time and one-half (1½) his/her regular straight time hourly rate for all hours worked on said holiday.

OPTION 2. The employee scheduled to work any of the holidays listed above shall be paid at the rate of one and one-half (1½) times his/her regular straight time hourly rate for all hours worked on said holiday and shall receive a deferred holiday, paid at a straight time hourly rate, to be taken in a timely manner. All deferred holiday time taken shall be mutually agreeable to both the employee and the Supervisor.

14.5 Holidays occurring during any paid leave, shall not be charged to the time the employee has taken on paid leave.

ARTICLE XV. VACATION

15.1 Eligibility: Regular, full-time salaried employees and exempt employees who are regularly scheduled to work 40 hours or more per week on a year-round basis shall accrue paid vacation at the regular rate of pay. Only time actually worked while the employee is so classified shall count towards vacation eligibility and benefits.

15.2 Employees regularly scheduled to work less than 30 hours per week and temporary or seasonal employees shall not be eligible for vacation benefits.

15.3 Amount of Vacation Allowed:

Beginning,	
1 through 2 consecutive years	3.08 hours per pay period (10 days)
3 thorough 7 consecutive years	4.62 hours per pay period (15 days)
8 through 11 consecutive years	5.54 hours per pay period (18 days)
12 through 15 consecutive years	6.46 hours per pay period (21 days)
16+ years consecutive full-time service	7.39 hours per pay period (24 days)

15.3.a Other Terms and Conditions: New employees shall earn vacation benefits from the start of their employment, but may not use vacation until the completion of their probationary period.

15.3.b Transferred and promoted employees may utilize accrued vacation time during their probationary period only with the approval of the employee's supervisor. Vacation time accrued by an employee in another office or department shall be transferred with the employee to the new office or department.

15.3.c Employees who are on a lay-off or on an authorized leave of absence without pay shall not accrue vacation time during the period of such layoff or authorized leave.

15.4 Accrual: An employee may accrue vacation leave to a maximum of 1-1/2 times the vacation leave earned by the employee in the year. Four (4) or more continuous weeks of vacation may be taken only if efficient operation of the department can be continued and must be approved by the City Council.

15.5 Requests: On a regular basis, the Supervisor will consult with employees eligible for vacation to determine the vacation schedule for the department. Employees requesting vacation time shall submit such request in writing at least ten (10) days in advance to the Supervisor. If more than one (1) employee in a given area requests vacation time for the same period, requests shall be considered by the Supervisor and vacation shall be granted on the basis of seniority and/or other circumstances surrounding the situation. Requests for vacation time will not be granted if the employee's absence may impair the efficiency of the department.

15.5.a Waiving Vacation Period: Employees shall not be permitted to waive vacation time for the purpose of receiving double pay.

15.5.b Employees may use accumulated vacation time as an extension of sick leave, provided sick leave benefits have been exhausted, with the approval of the Supervisor.

- 15.6 Terminal Vacation: When an employee has successfully completed his/her probationary period and has given proper notice or when an employee is laid off or retires, he/she shall be paid for vacation time accrued and unused to the date of separation.

ARTICLE XVI. LEAVES OF ABSENCE

- 16.1 Court and Jury Duty Leave: After notice to the Supervisor an employee shall be granted leave with pay for:

16.1.a Service upon a jury.

16.1.a.1 Appearance before a court, legislative committee or other judicial or quasi-judicial body as a witness in an action involving a federal government, State of Minnesota, or a political subdivision thereof, in response to a subpoena or other direction by proper authority.

16.1.a.2 The employee shall turn over to the City any per diem payment received as a result of service on a jury or as a witness in the above listed actions. Money received as expenses shall be kept by the employee.

16.1.a.3 Any absence, whether voluntary or in response to a legal order to appear and testify in private litigation, not as an employee of the City but as an individual, shall be taken as a deduction from the employee's comp time account or from the employee's vacation account. If these accounts are exhausted this time can be taken as leave of absence without pay with the approval of the Supervisor.

- 16.2. Funeral Leave. In the event of death of a member of the immediate family, funeral leave may be taken for the actual time required, not to exceed three (3) **paid** workdays, except with the approval of the department supervisor. However, in the case of a spouse or child, up to forty (40) hours per incident may be granted. "Immediate family" shall mean spouse, children, parents, grandparents, grandchildren, siblings or spouse's immediate family.

16.2.a. Employees may also be granted eight (8) hours within a 12 month period of Funeral Leave to be used for funerals not involving immediate family members with the approval of the Supervisor. These hours are deducted from the sick leave account.

- 16.3. Special Leaves: Regular full-time and exempt employees may be granted a leave of absence without pay for periods not to exceed twelve (12) months. A written application must be submitted to the respective Supervisor. Leaves may be granted at the recommendation of the Supervisor and with the approval of the City

Council. Leave agreements must be in writing and signed by the interested parties.

- 16.4 Probationary employees may be granted leave without pay for periods not to exceed thirty (30) calendar days only in the event of sickness, disability, or death in the family. Written application for such leave shall be supported by evidence as may be required by the Supervisor and the City Council. Extension of leave for probationary employees not to exceed six (6) months, may be granted under the recommendation of the Supervisor, with the approval of the City Council.
- 16.5 All leave without pay shall be subject to cancellation by the Supervisor and the City Council if at any time it is found that the employee is using the leave for purposes other than specified at the time of approval (in this case the employee could also be subject to disciplinary action), or when the interests of the City of Kasson require that said employee return to his/her employment.
- 16.6 Sick leave and vacation leave shall not accumulate during leaves without pay, however, the requesting employee will be required to use any accumulations of comp time, vacation and sick leave used respectively. Medical insurance, if desired to be kept in force by the employee, shall be paid in full by the employee after thirty (30) days. Position restoration will be at Council's discretion
- 16.7 Bone Marrow Donor Leave: Employees may take paid leave, not to exceed 40 hours, and subject to verification, to undergo medical procedures to donate bone marrow.
- 16.8 School Conference and Activity Leave: Employees who have worked for 12 consecutive months preceding the request may take unpaid leave up to 16 hours per year to attend school conferences or classroom activities related to the employee's child, provided the conference or activity cannot be scheduled during non-work hours.
- 16.9 Terminal Leave: (See Terminal Vacation).
- 16.10 Family/Medical Leave of Absence. The Family/Medical Leave of Absence will be administered in accordance with applicable laws.
- 16.11 Military Leave of Absence. Military Leave of Absence will be administered in accordance with applicable laws.
- 16.12 Sick Leave:
 - 16.12.a Eligibility: Regular full-time and exempt employees shall be eligible for sick leave.

- 16.12.b Employees classified as temporary, part-time (less than 20 hours per week) and seasonal will not be eligible for sick leave. Sick leave shall not be granted to an employee during the probationary period of his or her employment, but leave shall accrue from the start of said employment and may be used after the completion of the probationary period.
- 16.12.c When Granted: Sick leave with pay shall be granted for personal illness, medical examination, medical treatment or legal quarantine, for the employee and minor children, or in the case of a work-connected injury.

Per State Statute an employee may use up to 160 hours of sick leave for illness, medical examination, medical treatment or legal quarantine for adult children, spouses, siblings, parents, parent-in-laws, grandchildren, grandparents, and stepparents. This also allows for use of sick time for "safety leave" to provide or receive assistance personally or for listed relatives due to sexual assault, domestic abuse or stalking. However, for these relatives, the leave is limited to 160 hours in any 12-month period. The 160-hour limit does not apply to the employee's stepchild, biological or foster child, either under 18 or under 20 if still attending secondary school.

- 16.12.d Request For: When a request for sick leave is necessary, employees shall notify the Supervisor at the earliest practicable time. Failure to make a diligent effort to give such notice may result in a payroll deduction for the time taken.
- 16.12.e Employees claiming sick leave for more than three (3) consecutive days may be required to file with the Supervisor, competent written evidence that they have been absent as authorized for this purpose. (In the case of a serious illness of self or in the immediate family requiring the employee's attendance see the Family Medical Leave.)
- 16.12.f Accrual: 3.39 hours of earned sick leave shall be granted per pay period. Additions to or deductions from each employee's sick leave account shall be made each pay period. Only days which the employee would normally have worked will be charged against his or her sick leave account. For employees hired before January 1, 1999, unused sick leave shall be allowed to have a maximum accumulation of 1,000 hours. Employees hired on or after January 1, 1999 shall be allowed to have a maximum accumulation of 600 hours of sick leave.
- 16.12.g Exclusions: The following situations are excluded from sick leave benefits:
1. When illness or injury is due to or incurred while in the employ of others.

2. When illness, injury or physical inability results from excessive use of alcohol, or non-prescribed drugs, or abuse of prescribed drugs except as part of the medically accepted treatment program.
3. During an unpaid leave of absence with stated guidelines.
4. When holidays occur during an employee's sick leave.
5. After termination of employment.

16.12.h Policy on Unused Sick Leave: As Described in Appendix C

ARTICLE XVII. INSURANCE

17.1 The City agrees to continue during the term of this agreement to provide those insurance benefits that are currently available to all employees covered by this Agreement. That benefit level is: 100% of accidental death and dismemberment, life insurance, short-term and long-term disability insurance; and 90% of single health insurance premium and 80% of family health insurance premium. All new full-time hires are required to enroll in an HSA Health Plan. Furthermore, the city agrees to advise the Union of any changes proposed in the insurance benefits during the term of this agreement.

Effective January 1, 2020 and January 1, 2021, the health insurance plan will be the PEIP Advantage Health Plan HSA Compatible Cost Level 4 and the City's contribution towards the VEBA/HSA represents 50% of the out-of-pocket maximum on said plan.

ARTICLE XVIII. WORKERS' COMPENSATION SUPPLEMENT

18.1 An employee who is injured in the performance of the employee's job duties and who is eligible to receive Workers' Compensation benefits may at the employee's discretion receive a supplement to the Workers' Compensation benefits as follows:

18.1.a The employee shall retain the Workers' Compensation benefits and shall receive from the EMPLOYER a supplement to be deducted from earned accrued sick leave, earned accrued vacation leave and accrued compensatory time off provided that the employee has such leave available for a period not to exceed ninety (90) days.

18.1.b The amount to be deducted from the employee's earned accrued sick leave, earned accrued vacation leave and accrued compensatory time shall be the difference between the Workers' Compensation benefits and compensation for the employee's normal work day or work week.

18.1.c Under no circumstances shall an employee who receives Workers' Compensation benefits and the supplements noted in 1.a and 1.b receive

compensation which is in excess of the employee's normal work day or normal work week or which exceeds their normal net wages they received at the time of injury, providing all wages and deductions remain the same.

- 18.2 An employee may at the employee's discretion receive the supplement noted in Section 1 and deduct from the employee's earned accrued sick leave, earned accrued vacation leave and accrued compensatory time off until sick leave is exhausted. At such time, the supplement shall cease and the employee shall receive only the Workers' Compensation benefits.

ARTICLE XIX. RESIGNATION

- 19.1 Two (2) weeks of written prior notice shall constitute proper notice for an employee who is planning to resign in good standing.
- 19.2 Employees who leave without notice as provided herein shall forfeit any accumulated leave time they may have earned and shall be entitled to no other compensation other than the regular salary due on the date last worked.
- 19.3 On the employee's final date of employment, he/she shall be responsible for the surrender of all City property to include keys, uniforms, equipment, clothing, materials, etc., to the Supervisor.
- 19.4 Any absence of an employee from scheduled duty that is not properly reported to and authorized by the Supervisor shall be deemed an absence without leave for which compensation shall not be paid by the City. Unauthorized absence of an employee for three (3) consecutive work days shall be considered by the Supervisor and the City Council as a resignation of such employee.

ARTICLE XX. COOPERATION

- 20.1 The membership of the Union agree to individually and collectively perform loyal and efficient work and service, and to use their influence and best efforts to protect the property of the Employer and its service to the public at all times. The Employer agrees to cooperate with the Union in its efforts to promote harmony and efficiency among the employees.

ARTICLE XXI. ENTIRE AGREEMENT

- 21.1 The Agreement constitutes the entire Agreement between the parties, and concludes collective bargaining for its term.
- 21.2 The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make requests and proposals with respect to any subject or matter not removed by law from the area

of collective bargaining and that the understanding and agreement arrived at by the parties alter the exercise of that right and opportunity are set forth in this Agreement. The Employer and the Union, for the life of this Agreement, each voluntarily and unqualifiedly waives the right and agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter not referred to or covered in this Agreement. However, nothing herein shall prevent the parties from bargaining collectively during the term of this Agreement with respect to any subject not removed by law from a period not covered by this Agreement. Both parties, by mutual agreement, may modify and amend this Agreement, but such modification or amendment must be signed by both parties, and if not, the contract, as written, is binding.

ARTICLE XXII. SAVINGS

- 22.1 If any provision in this Agreement shall be found to be unlawful and unenforceable by reason of any existing or subsequent statute or ordinance or by decision of a court of competent jurisdiction, such provision shall be deemed null and void and of no further effect. However, such provision shall be severable from the remainder of this Agreement, and all other provisions hereof shall continue in full force and effect.

ARTICLE XXIII. ESTABLISHMENT OF VEBA WITH HEALTH REIMBURSEMENT ARRANGEMENT FOR ACTIVE EMPLOYEES

- 24.1 Establishment of VEBA: Effective 01/01/2007, Employer shall adopt the Minnesota Service Cooperatives VEBA Plan and the Employee Benefits Trust Agreement for the benefit of for qualifying employees who are members of this Collective Bargaining Agreement. Employer and employees assent to and ratify the appointment of the Trustee and Plan Administrator in place on the adoption date of this agreement. It is intended that this arrangement constitute a Voluntary Employees' Beneficiary Association under Section 501(c)(9) of the Internal Revenue Code.

- 24.2 Benefits provided through the VEBA. Employer shall provide the following welfare benefit arrangement through the VEBA Plan:

The Health Reimbursement Arrangement for Active Employees.

- 24.3 Payment of Administrative Fee. Administrative fees allocable to individual accounts of active employees shall be paid by the Employer. Administrative fees allocable to the individual accounts of former employees, including retirees, shall

be paid from individual accounts. Administrative fees shall be paid from individual accounts of all participants in the event the VEBA Plan is terminated.

24.4 Employer Contributions to Health Reimbursement Arrangement for Active Employees:

24.4.a Contributions to the Active Employees' Plan: Employer will make a bi-weekly contribution to individual accounts under the Health Reimbursement Arrangement for Active Employees for qualifying employees who are members of this Collective Bargaining Agreement in accordance with the following schedule:

Half of the deductible based on the employee's choice of single or family insurance

24.5 Alternative Group Health Plan: Employer shall also make available a group Health Savings Account plan. With respect to qualifying employees who are members of this Collective Bargaining Agreement, Employer shall contribute an amount not to exceed 90% towards the monthly premium cost for single group health coverage, and 80% towards the monthly premium cost for family group health coverage. VEBA or HSA participation shall be mandatory for all full time employees.

ARTICLE XXIV. DURATION

23.1 This AGREEMENT shall be effective as of January 1, 2020 and shall remain in full force and effect until December 31, 2021.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT on this _____ day of _____, 2020.

CITY OF KASSON, MN:

Mayor

City Administrator

MNPEA


Business Agent

Steward

Steward

APPENDIX A. WAGE RATES

- A. Position wages shall comply with the City Council adopted pay scale and shall comply with state mandated pay equity requirements commensurate with positions. Effective January 1, 2020, a general wage increase of 2.5% shall be applied. Effective January 1, 2021, a general wage increase of 2.5% shall be applied.

Grade	Name (Dept)	Position	Min – Max Pay	Wage
3	Katy P (Liquor)	Sr. Liquor Clerk	16.51-20.00	20.00 Step 7
3		Library Asst		
3		Library Asst		
3		Library Asst		
6	Amy Johnson	Admin Asst	20.24-24.52	20.24 Step 1
7	Krista W (Admin)	Admin Assistant	21.65-26.23	26.23 Step 7
8	Jan N (Admin)	Deputy Clerk	23.19-28.10	28.10 Step 7
8	Cassie S	Utility Bill Specialist	23.19-28.10	24.72 Step 3
10	Linda R (Admin)	City Clerk	26.53-32.14	32.14 Step 7
14				
16	Nancy Z (Admin)	Finance Director	39.80-48.22	48.22 Step 7

APPENDIX B

SENIORITY CHART BARGAINING UNIT CLASSIFICATIONS CITY OF KASSON

EMPLOYEE	START DATE	BARGAINING UNIT DATE	CLASSIFICATION DATE	CLASSIFICATION
Amy Johnson	5/20/19	5/20/19	5/20/19	Admin Asst
Linda Rappe	6/6/96	1/1/14	1/1/14	City Clerk
Jan Naig	7/13/97	11/13/97	11/13/97	Deputy Clerk
Cassie Sullivan	2/6/17	12/6/17	12/6/17	Utility Billing Specialist
Nancy Zaworski	8/13/07	8/13/07	8/13/07	Finance Director
Krista Weigel	5/16/12	5/16/12	5/16/12	Admin Assist/Program Assist
Katy Paynic	3/12/14	3/12/14	3/12/14	Senior Liquor Clerk

APPENDIX C POLICY ON UNUSED SICK LEAVE

When an employee leaves employment with the City of Kasson and meets the minimum requirements of this program as outlined below, he/she shall be eligible to participate in a post-employment insurance program provided by the City of Kasson.

A. Employee has completed:

1. Ten (10) to fourteen (14) years of employment with the City of Kasson and;
2. Has between three hundred (300) and four hundred (400) hours of sick leave. Accumulated as of their last day of employment

This employee shall have the first 300 hours accumulated converted on a 2 to 1 formula. The dollar value of accumulated sick leave hours (base 300 hours) will be equal to one-half ($\frac{1}{2}$) of the hours at the time of qualifications multiplied by the employee's hourly rate of pay at the time of qualification.

The hours accumulated in excess of 300, up to 600 hours shall be converted on a 4 to 1 formula. The dollar value of accumulated sick leave hours in excess of the 300 base hours shall be equal to one-fourth ($\frac{1}{4}$) of the hours at the time of qualifications, multiplied by the employee's hourly rate of pay at the time of qualification.

The total dollars available based on the formulas as described above shall be deposited in the insurance program provided by the City for the sole purpose of paying medical related expenses.

B. Employee has completed:

1. Fifteen (15) to nineteen (19) years of employment with the City of Kasson and;
2. Has between four hundred and five hundred hours of sick leave accumulated as of their last day of employment.

This employee shall have the first 450 hours accumulated converted on a 2 to 1 formula. The dollar value of accumulated sick leave hours (based 450 hours) shall be equal to one-half ($\frac{1}{2}$) of the hours of the time of qualifications, multiplied by the employee's hourly rate of pay at the time of qualifications.

The hours accumulated in excess of 450, up to 600 hours shall be calculated on a hour for hour (1-1) formula. The dollar value of accumulated sick leave hours in excess of 450 base hours shall be equal to

each hour (1-1) at the time of qualification, multiplied by the employee's hourly rate of pay at the time of qualification.

The total dollars available based on the formula as described above shall be deposited in the insurance program provided by the City for the sole purpose of paying medical related expenses.

C. Employee has completed:

1. Twenty (20) or more years of employment with the City of Kasson, and;
2. Has between five hundred (500) and six hundred (600) hours of sick leave and accumulated as of their last day of employment:

This employee shall have the first 450 hours accumulated converted on a hour for hour (1-1) formula. The dollar value of accumulated sick leave hours (the first 450 hours) shall be equal to the hours multiplied by the employee's hourly rate of pay at the time of qualification.

The hours accumulated in excess of 450, up to 600 hours shall be converted on a two to one (2-1) formula. The dollar value of accumulated sick leave hours in excess of 450 hours shall be equal to one-half ($\frac{1}{2}$) of the hours at the time of qualification, multiplied by the employee's hourly rate of pay at the time of qualification.

The total dollars available based on the formula as described above shall be deposited in the insurance program provided by the City for the sole purpose of paying medical related expenses.

- D. Employees who do not meet the minimum number of accumulated hours in the program: 00 - 400 hours for 10 - 14 years; 400 - 500 hours for 15 - 19 years; 500 - 600 hours for 20 or more years, shall not be eligible to receive any payment for unused sick leave.
- E. All monies earned as a result of this unused sick leave program must be used to pay medical related expenses per the program provided by the City of Kasson. No monies shall be paid directly to the qualified employee.

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF KASSON, MN
AND
MINNESOTA PUBLIC EMPLOYEES ASSOCIATION

This Agreement is entered into between the Minnesota Public Employees Association (Union) and the City of Kasson, MN (Employer);

Whereas, Minnesota Public Employees Association is the exclusive representative for the City of Kasson Administrative Employees bargaining unit;

Whereas, the parties have negotiated and agreed upon the following terms and conditions of employment for the bargaining unit employees and wish to further specify the agreed terms and conditions of employment as follows:

Unit member Melanie Bersano will receive step movement on anniversary dates consistent with satisfactory performance rating on evaluation, effective her 2017 anniversary date.

LABOR AGREEMENT BETWEEN

CITY OF KASSON, MINNESOTA

AND THE

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL
WORKERS**

LOCAL UNION 949

JANUARY 1, 2020 through DECEMBER 31, 2021

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ARTICLE I

PURPOSE

1.1 This agreement made and entered into this 1st day of January 2020 by and between the City of Kasson, Minnesota, its successors or assigns, hereinafter sometimes referred to as EMPLOYER or MANAGEMENT, and the International Brotherhood of Electrical Workers, Local 949, hereinafter referred to as the UNION.

1.2 The purpose of this Agreement is to achieve and maintain harmonious relation between the City and employees covered by this Agreement; to provide an equitable and orderly procedure for resolving differences and to establish terms and conditions of employment as defined in Minnesota Statute. The parties recognize that this Agreement is not intended to modify any of the discretionary authority vested in the City by the statutes of the State of Minnesota.

ARTICLE II

RECOGNITION

2.1 The EMPLOYER recognizes the UNION as the exclusive representative of an appropriate bargaining unit consisting of:

All employees of the Public Works Department (Street, Electric, Water-Wastewater, and Park-Recreation, Ice Arena), of the City of Kasson, Minnesota, who are public employees within the meaning of Minn. Stat. 179A.03, Subd. 14, excluding supervisory, confidential, office-Clerical, and all other employees.

ARTICLE III

TERM OF AGREEMENT

3.1 This Agreement shall be in effect as of January 1, 2020 and shall remain in effect until December 31, 2021 and from year to year thereafter, unless either party shall notify the other in writing by May 1st of its desire to modify or terminate their agreement.

ARTICLE IV

MANAGEMENT RIGHTS

4.1 It is recognized that, except as expressly stated herein, the City shall retain whatever rights and authority necessary for it to operate and direct the affairs of the Public Works Department in all its various aspects, including, but not limited to, the right to direct the

working forces; to plan, direct, and control all the operations and services of the department; to determine the methods, means, organization, the number of personnel by which such operations and services are to be conducted; to assign and transfer employees; to schedule working hours and to assign overtime; to determine whether goods or services should be made or purchased; to hire, demote, suspend, discipline, discharge, or relieve employees due to lack of work or other legitimate reasons; to make and enforce reasonable rules and regulations; and to change or eliminate existing methods, equipment, or facilities.

4.2 The exercise of the foregoing powers, rights, authority, duties and responsibilities by the City, the adoption of policies, rules and regulations, and practice in furtherance thereof, and the use of judgment in connection therewith shall not be the subject of any grievance or arbitration proceeding except as specifically provided for in this Agreement.

ARTICLE V

RULES AND REGULATIONS

5.1 It is understood that the City has the right and discretion to establish, revise and rescind reasonable rules and regulations. The Union agrees that all the members of the bargaining unit shall comply with all City rules and regulation, including those relating to conduct and work performance.

5.2 In the event of a conflict between a provision in this Agreement and any rule or regulation established by the City (insofar as said rule or regulation affects employees covered by this Agreement), the provision of this Agreement shall control.

ARTICLE VI

CONTRACTING

6.1 Nothing shall prohibit the employer from contracting out work normally performed by the bargaining unit in so far as no employees shall suffer a reduction of hours or layoff.

ARTICLE VII

EMPLOYEE RIGHTS

7.1 The Employer agrees that there shall be no intimidation, coercion, or discrimination against any of the employees covered by this Agreement because of their activities in the Union.

7.2 The Union may accept as members all regular employees of the Employer within

the bargaining unit covered by this Agreement who have served a six month probationary period of employment; and the Union further agrees not to discriminate against any employee on any basis prohibited by law and the Union further agrees that there will be no intimidation or coercion against employees not covered by this Agreement because of non-membership in the Union

7.3 Authorized representatives of the Union who may wish to visit a plant or job during working hours, where work under this Agreement is being performed, may do so by obtaining approval from the City Administrator or his/her designee but must not hinder or interfere with the progress of the work.

7.4 The Employer agrees, without cost to the Union, to deduct from the pay each month, the Union membership dues from the wages of those employees within the bargaining unit who give the Employer written authorization to do so in the form and manner required by law. The Employer agrees that it will promptly remit such deductions to the Financial Secretary of the Union, and in this connection the Union guarantees the validity and legality of such authorizations for deductions and will indemnify and save the Employer harmless for any such deductions made and remitted.

ARTICLE VIII

NO STRIKE

8.1 In accordance with Minn. Stats. §179A.64 and amendments thereto, neither the Union, its officers or agent, nor any of the employees covered by this Agreement will engage in, encourage, sanction, support, or suggest any strikes, picketing, slowdowns, mass absenteeism, mass use of sick leave, the willful absence from one's position, the stoppage of work or the abstinence in whole or in part of the full, faithful, and proper performance of the duties of employment. In the event that any employee(s) violates this article, the Union shall immediately notify any such employee(s) in writing, to cease and desist from such action and shall immediately take all reasonable action necessary to return such employee(s) to their normal duties.

8.2 Neither party will permit, encourage, or take part in any lockout, strike, work stoppage, walkout, or other interruption of the public service.

ARTICLE IX

GRIEVANCE PROCEDURE

9.1 A grievance is defined as a complaint raised by an employee against the Employer or a complaint raised by the Employer against the Union involving the interpretation or application of a specific provision of this Agreement, or a claim by an employee that the Employer has taken disciplinary action without just cause.

STEP 1. An employee claiming a violation concerning the interpretation or application of this Agreement shall within five (5) working days after such alleged violation has occurred, present

such grievance to the Public Works Director. The Public Works Director will discuss and give answer to such Step 1 grievance within five (5) 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, the remedy requested, and shall be appealed to Step 2 within five (5) working days after the Public Works Director's final answer in Step 1.

Any grievance not appealed in writing to Step 2 by the Union within five (5) days shall be considered waived.

STEP 2. 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 Step 2 answer in writing within ten (10) working days after receipt of such Step 2 grievance. A grievance not resolved in Step 2 may be appealed to Step 3 within ten (10) working days following the City Administrator'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. In the event the grievance is not settled at Step 2, either the Union or Management may request the services of a mediator through the State of Minnesota Bureau of Mediation Services, within five (5) working days of the General Manager's response. In the event neither party request mediation within the five (5) days, the grievance may proceed to arbitration.

STEP 4. A grievance unresolved in Step 3 and appealed to Step 4 by the Union shall be submitted to arbitration subject to the provisions of the PELRA, as amended. The selection of an arbitrator shall be made in accordance with the rules established by the Bureau of Mediation Services.

9.2 ARBITRATOR'S AUTHORITY:

9.2.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.

9.2.b The arbitrator shall be without power to made 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.

9.2.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 wither 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.

9.3 WAIVER:

9.3.a 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 written agreement of the Employer and the Union in each step.

9.3.b If the time limit specified in this Article falls on a Saturday, Sunday or holiday, the time limit for filing is extended to the next working day.

ARTICLE X

HOURS OF WORK

10.1 The normal workweek for all employees shall be five (5) consecutive eight (8) hour days, commencing on Monday and ending on Friday, for a total of forty (40) hours per week. The regular hours of employment for all employees shall be from 7:00 am to 3:30 pm with half-hour intermission for lunch, or as otherwise mutually agreed upon. One employee per month may be assigned to disconnect/reconnect meters which may require deviation from regularly scheduled hours of employment. Additional shifts or workweeks consisting of five (5) consecutive days for a total of forty (40) hours per week may be established based on the demonstrated needs of the service.

10.2 Employees covered by this Agreement shall receive a fifteen (15) minute rest period during each four (4) hour shift. The rest period shall be granted near the middle of each four (4) hour shift whenever this is feasible. During work beyond the normal eight (8) hour day, employees shall receive their breaks in the same intervals as described above.

10.3 Any work performed in excess of forty (40) hours in any one (1) week, or work performed on days not regularly scheduled shall be considered overtime and shall be paid for at the rate of one and one-half (1 ½) times the regular hourly rate pay. Vacation, holidays and bon-a-fide paid sick leave shall be considered time worked for the purposes of computing overtime. Effective January 1, 2020 or the first day of the first full pay period following ratification of the contract, whichever date is later, through December 31, 2021, vacation, holidays, compensatory time and bon-a-fide paid sick leave shall be considered time worked for the purposes of computing overtime. Employees shall not be required to take time off for overtime work.

Exception: Department Supervisors or their designee who are required as part of their job responsibilities to attend a meeting of a board/commission shall be required to take time off with in the same week as the scheduled meeting for actual hours required to attend.

10.4 Overtime hours, those worked in excess of forty (40) per week, may be paid in compensatory time off at a rate of 1 ½ hours for each hour worked. Compensatory time shall be authorized only by mutual consent of the City and the employee covered by this Agreement. Compensatory time shall be used up as time off as soon as it is practical and subject to mutual agreement by the employee and the Public Works Director. Not more than eighty (80) hours of compensatory time shall be carried forward from the end of any pay period or one (1) calendar year to the next.

10.5 The employees agree to accept planned or scheduled overtime assignments. Further, employees agree to accept all emergency overtime assignments, when life, property or service to the public is jeopardized.

10.6 When employee(s) are assigned by the employer to perform specific duties on a regularly scheduled basis on Saturday and Sunday in the wells and wastewater divisions, weekend compensation shall be eight (8) hours pay at time and one-half (1-1/2) the regular rate of pay.

6(a) When employee(s) are assigned by the employer to perform specific duties on a regularly scheduled basis on a Holiday in the wells and wastewater divisions, employees shall be compensated for eight (8) hours Holiday pay and shall receive four (4) hours at the rate of one and one-half (1 ½) times their regular hourly rate of pay. Employees may elect to receive compensation in the form of compensatory time off in lieu of payment.

10.7 A minimum of two (2) hours pay from the time the employee arrives at the assigned normal work station at overtime rate shall be allowed to all employees called back for non-scheduled work after having been released from the regular days' work. If an employee is released prior to the expiration of the two (2) hours call-back minimum, they may be subject to recall within the same two (2) hour period, without call back compensation.

10.8 When employee(s) are assigned by the employer to perform specific emergency ice/snow related duties outside of regularly scheduled work hours, employees shall be compensated at the rate of one and one-half the employees base rate of pay for all hours worked in excess of their regularly scheduled work day, and may be paid in compensatory time off at a rate of 1 ½ hours for each hour worked, with the agreement employees may be released from work by the employer after snow removal duties have been completed. Employees may use vacation to fill out the remaining workday to achieve a forty (40) hour work week.

10.9 When it is necessary to perform work after regularly scheduled hours of work in any particular department, employees from that department will be assigned the work prior to assigning employees from any other department.

10.10 **On-Call:** One (1) electric, one (1) water/wastewater employee and one (1) Park/Rec employee during the period the Aquatic Center is open shall be scheduled for on-call duty and compensated according to Appendix E.

10.11 The Ice Arena/Parks Employee is a shared position between the Dodge County Ice Arena and the Kasson Park Department. The employee shall work a flexible schedule which shall include a work week of Tuesday through Saturday for the months of November through April. The majority of employees' work shall be at the Ice Arena during this time period and may include some night time, weekend or holiday work. During May through October, employees shall work regular hours of 7:00 to 4:30 Monday through Friday.

ARTICLE XI

SENIORITY

11.1 Seniority shall mean an employee's length of employment time, and may be the basis of determining various employee benefits and preferences. Only continuous employment time shall count toward seniority. Seasonal or temporary work shall not count toward seniority. Authorized leaves of absence as well as lay-off for periods less than 365 calendar days shall be deemed continuous employment and shall not result in loss of seniority. Whenever an employee is re-employed following termination of his employment, his/her seniority date shall be the date of re-employment and all benefits shall be based on this new seniority date. The types of seniority are as follows:

11.1.a Seniority as a City Employee shall be the determining factor for benefits that are based on total length of service, such as vacation and sick leave. Time with more than one City department may be used, provided there is no interruption in employment at the time the employee transfers from one department to another.

11.1.b Seniority in the bargaining unit will be determined when filling vacancies in higher paying jobs. These vacancies may be filled by lower paid employees in accordance with their bargaining unit seniority provided the employee seeking the higher paying job is qualified to perform the duties of the job. Qualifications will be determined by the Director of Public Works or his/her designee, for recommendation for approval by the City Council.

11.1.c Seniority in a job classification will be determined in the event of layoff. Layoffs shall be effective by first laying off probationary, part-time and temporary employees. The last employee hired in a job classification may be the first to be laid off, and the last employee laid off may be the first to be rehired. In the event of layoff, employees promoted from jobs have the right to resume lesser jobs for which they qualify in classifications and in which they have held regular status, providing they have more bargaining unit seniority than the workers they displace. An employee may exercise job classification seniority only in his/her bargaining unit.

11.2 A seniority list of bargaining unit employees shall be established each January.

11.3 Management shall have the prerogative of deciding when there is an opening in the bargaining unit. When an opening occurs within the positions covered by this agreement, it shall be posted on the Union bulletin board for a minimum of five (5) working days.

Within thirty (30) working days after the close of the posting, management must award this vacant position to any qualified bargaining unit employee that has applied for the job, qualifications being equal, bargaining unit seniority shall prevail. The starting rate of pay for the employee shall be at least at the rate shown in the contract for the appropriate step which exists either current rate of pay or the new range.

11.4 Any employee awarded or bid into job vacancies shall be given thirty (30) calendar days to demonstrate their ability to meet the qualifications of the position and will be allowed within that time period to return to their prior position without loss of seniority or pay.

ARTICLE XII

HEALTH AND SAFETY

12.1 The Employer agrees to enforce all safety rules and to provide safety equipment and safe working conditions for its employees. Each employee agrees to become familiar with and adhere to all safety rules and to be aware of, know the use of, and properly use all safety equipment furnished to them by the Employer during their working hours. The Employer reserves the right to adopt or revise and enforce such safety rules as it deems necessary for the protection of its employees and property. The Employer agrees that, except in cases of emergency, it will present any proposed new or revised safety rules to the City Safety Committee for review and comment prior to the effective date of such rule.

12.2 The Employer shall furnish all coats, hats, boots, gloves, and all other necessary safety equipment for the protection of employees working on live equipment, and the employees shall use such protective equipment. All flame retardant clothing required by the employer shall be furnished at Employer expense. The City shall reimburse employees for worn-out safety shoes and clothing provided replacement is approved by the Public Works Director. All equipment, boots, and uniforms issued and purchased by the City of Kasson are the property of the City and shall be returned in the event of separation of employment.

12.3 The Employer shall not require employees to work out-of-doors continuously when weather conditions are determined by the Public Works Director to be detrimental to the health or safety of employees, unless such work is necessary to protect life or property or maintain service to the public.

ARTICLE XIII

WAGES

13.1 Wages shall be paid as described in Appendix A of this Agreement.

ARTICLE XIV

HOLIDAYS

14.1 Regular full-time employees shall receive 80 hours to be divided equally among the designated holidays throughout the year. The City shall observe the designated holidays by conducting no official business, excluding those departments required to maintain necessary operations.

Designated holidays are as follows:

- a. New Year's Day - January 1st
- b. Martin Luther King Day - 3rd Monday in January
- c. Washington's & Lincoln's Birthdays - 3rd Monday in February
- d. Memorial Day - Last Monday in May
- e. Independence Day - July 4th
- f. Labor Day - First Monday in September
- g. Veterans Day - November 11th
- h. Thanksgiving Day - 4th Thursday in November
- i. Day after Thanksgiving Day - 4th Friday in November
- j. Christmas Day - December 25th

14.2 Holidays falling on Sunday shall be observed on the following Monday by those employees working Monday through Friday. Holidays falling on Saturday shall be observed on the preceding Friday by such employees, with the exception of the New Year's Day Holiday, which shall be observed the following Monday or depending on work load as determined by the Public Works Director, may be used as a Floating Holiday in the same calendar year. During years in which Christmas Eve falls on a weekday a half (1/2) day shall be observed as a holiday. If Christmas Eve falls on a weekend no holiday shall be observed.

14.3 All regular employees working twenty (20) hours or more a week on a year- round basis are eligible for holidays at their regular rate of pay on a pro rata basis.

14.4 Holiday Pay: An employee, outside the wells and wastewater required work, scheduled to work on a holiday will be given a choice of two (2) options:

OPTION 1. The employee scheduled to work any of the holidays listed above shall be paid their regular wages, plus time and one-half (1 ½) his/her regular straight time hourly rate for all hours worked on said holiday.

OPTION 2. The employee scheduled to work any of the holidays listed above shall be paid at the rate of one and one-half (1½) times his/her regular straight time hourly rate for all hours worked on said holiday and shall receive a deferred holiday, paid at a straight time hourly rate, to be taken in a timely manner. All deferred holiday time taken shall be mutually agreeable to both the employee and the Public Works Director.

14.5 Holidays occurring during any paid leave, shall not be charged to the time the employee has taken on paid leave.

ARTICLE XV

VACATION

15.1 Eligibility: Regular, full-time salaried employees and regular part-time employees who are regularly scheduled to work 30 hours or more per week on a year-round basis shall accrue paid vacation at the regular rate of pay on a pro rata basis for actual hours worked. Only time actually worked while the employee is so classified shall count towards vacation eligibility and benefits.

15.2 Employees regularly scheduled to work less than 30 hours per week and temporary or seasonal employees shall not be eligible for vacation benefits.

15.3 Amount of Vacation Allowed:

Beginning 1 through 2 consecutive years	3.08 hours per pay period (10 days)
Beginning 3 thorough 7 consecutive years	4.62 hours per pay period (15 days)
Beginning 8 through 11 consecutive years	5.54 hours per pay period (18 days)
Beginning 12 through 15 consecutive years	6.46 hours per pay period (21 days)
Beginning 16+ years consecutive full-time service	7.39 hours per pay period (24 days)

15.3.a Other Terms and Conditions: New employees shall earn vacation benefits from the start of their employment, but may not use vacation until the completion of their probationary period.

15.3.b Transferred and promoted employees may utilize accrued vacation time during their probationary period only with the approval of the Public Works Director. Vacation time accrued by an employee in another office or department shall be transferred with the employee to the new office or department.

15.3.c Employees who are on a lay-off or on an authorized leave of absence without pay shall not accrue vacation time during the period of such layoff or authorized leave.

15.4 Accrual: An employee may accrue vacation leave to a maximum of 1-1/2 times the vacation leave earned by the employee in the year. Four (4) or more continuous weeks of vacation may be taken only if efficient operation of the department can be continued and must be approved by the City Council.

15.5 Requests: On a regular basis, the Public Works Director will consult with employees eligible for vacation to determine the vacation schedule for the department. Employees requesting vacation time shall submit such request in writing at least ten (10) days in advance to the Public Works Director. If more than one (1) employee in a given area requests vacation time for the same period, requests shall be considered by the Public Works Director and vacation shall be granted on the basis of seniority and/or other circumstances surrounding the situation. Requests for vacation time will not be granted if the employee's absence may impair the efficiency of the department.

15.5.a Waiving Vacation Period: Employees shall not be permitted to waive vacation time for the purpose of receiving double pay.

15.5.b Employees may use accumulated vacation time as an extension of sick leave, provided sick leave benefits have been exhausted, with the approval of the Public Works Director.

15.6 Terminal Vacation: When an employee has successfully completed his/her probationary period and has given proper notice or when an employee is laid off or retires, he/she shall be paid for vacation time accrued and unused to the date of separation.

ARTICLE XVI

LEAVES OF ABSENCE

16.1 Court and Jury Duty Leave: After notice to the Public Works Director, an employee shall be granted leave with pay for:

16.1.a Service upon a jury.

16.1.a.1 Appearance before a court, legislative committee or other judicial or quasi-judicial body as a witness in an action involving a federal government, State of Minnesota, or a political subdivision thereof, in response to a subpoena or other direction by proper authority.

16.1.a.2 The employee shall turn over to the City any per diem payment received as a result of service on a jury or as a witness in the above listed actions. Money received as expenses shall be kept by the employee.

16.1.a.3 Any absence, whether voluntary or in response to a legal order to appear and testify in private litigation, not as an employee of the City but as an individual, shall be taken as a deduction from the employee's comp time account or from the employee's vacation account. If these accounts are exhausted this time can be taken as leave of absence without pay with the approval of the Public Works Director.

16.2. Funeral Leave. In the event of death of a member of the immediate family, funeral leave may be taken for the actual time required, not to exceed three (3) *paid* workdays, except with the approval of the department supervisor. However, in the case of a spouse or child, up to forty (40) hours per incident may be granted. "Immediate family" shall mean spouse, children, parents, grandparents, grandchildren, siblings or spouse's immediate family.

16.2.a. Employees may also be granted eight (8) hours within a 12 month period of Funeral Leave to be used for funerals not involving immediate family members with the approval of the Public Works Director. These hours are deducted from the sick leave account.

16.3. Special Leaves: Regular full-time and regular part-time employees may be granted a leave of absence without pay for periods not to exceed twelve (12) months. A written application must be submitted to the respective Public Works Director. Leaves may be granted at the recommendation of the Public Works Director and with the approval of the City Council. Leave agreements must be in writing and signed by the interested parties.

16.4 Probationary employees may be granted leave without pay for periods not to exceed thirty (30) calendar days only in the event of sickness, disability, or death in the family. Written application for such leave shall be supported by evidence as may be required by the Public Works Director and the City Council. Extension of leave for probationary employees not to exceed six (6) months, may be granted under the recommendation of the Public Works Director, with the approval of the City Council.

16.5 All leave without pay shall be subject to cancellation by the Public Works Director and the City Council if at any time it is found that the employee is using the leave for purposes other than specified at the time of approval (in this case the employee could also be subject to disciplinary action), or when the interests of the City of Kasson require that said employee return to his/her employment.

16.6 Sick leave and vacation leave shall not accumulate during leaves without pay, however, the requesting employee will be required to use any accumulations of comp time, vacation and sick leave used respectively. Medical insurance, if desired to be kept in force by the employee, shall be paid in full by the employee after thirty (30) days. Position restoration will be at Council's discretion

16.7 Bone Marrow Donor Leave: Employees who average 20 or more hours per week may take paid leave, not to exceed 40 hours, and subject to verification, to undergo medical procedures to donate bone marrow.

16.8 School Conference and Activity Leave: Employees who have worked for 12 consecutive months preceding the request and work an average of 20 or more hours per week during that period may take unpaid leave up to 16 hours per year to attend school conferences or classroom activities related to the employee's child, provided the conference or activity cannot be scheduled during non-work hours.

16.9 Terminal Leave: (See Terminal Vacation).

16.10 Family/Medical Leave of Absence. The Family/Medical Leave of Absence will be administered in accordance with applicable laws.

16.11 Military Leave of Absence. Military Leave of Absence will be administered in accordance with applicable laws.

16.12 Sick Leave:

16.12.a Eligibility: Regular full-time and regular part-time employees consistently working twenty (20) hours or more per week shall be eligible for sick leave. In the case of regular part-time employees, leave shall be made on a prorated basis directly proportionate to the number of hours worked.

16.12.b Employees classified as temporary, part-time (less than 20 hours per week) and seasonal will not be eligible for sick leave. Sick leave shall not be granted to an employee during the probationary period of his or her employment, but leave shall accrue from the start of said employment and may be used after the completion of the probationary period.

16.12.c When Granted: Sick leave with pay will be granted for a bona fide personal illness, medical examination, medical treatment, legal quarantine, in case of a work connected injury.

16.12.d Request For: When a request for sick leave is necessary, employees shall notify the Public Works Director at the earliest practicable time. Failure to make a diligent effort to give such notice may result in a payroll deduction for the time taken.

16.12.e Employees claiming sick leave for more than three (3) consecutive days may be required to file with the Public Works Director, competent written evidence that they have been absent as authorized for this purpose. (In the case of a serious illness of self or in the immediate family requiring the employee's attendance see the Family Medical Leave.)

16.12.f Accrual: 3.39 hours of earned sick leave shall be granted per pay period. Additions to or deductions from each employee's sick leave account shall be made each pay period. Only days which the employee would normally have worked will be charged against his or her sick leave account. For employees hired before January 1, 1999, unused

sick leave shall be allowed to have a maximum accumulation of 1,000 hours. Employees hired on or after January 1, 1999 shall be allowed to have a maximum accumulation of 600 hours of sick leave.

16.12.g Exclusions: The following situations are excluded from sick leave benefits:

1. When illness or injury is due to or incurred while in the employ of others.
2. When illness, injury or physical inability results from excessive use of alcohol, or non-prescribed drugs, or abuse of prescribed drugs except as part of the medically accepted treatment program.
3. During an unpaid leave of absence with stated guidelines.
4. When holidays occur during an employee's sick leave.
5. After termination of employment.

16.12.h Policy on Unused Sick Leave: As Described in Appendix D

ARTICLE XVII

INSURANCE

17.1 The City agrees to continue during the term of this agreement to provide those insurance benefits that are currently available to all employees covered by this Agreement. That benefit level is: 100% of accidental death and dismemberment, life insurance, short-term and long-term disability insurance; and 90 % of single health insurance premium and 80% of family health insurance premium. All new full-time hires are required to enroll in an HSA Health Plan. Furthermore, the city agrees to advise the Union of any changes proposed in the insurance benefits during the term of this agreement.

Effective January 1, 2020 and January 1, 2021, the health insurance plan will be the PEIP Advantage Health Plan HSA Compatible Cost Level 4 and the City's contribution towards the VEBA/HSA represents 50% of the out-of-pocket maximum of said plan.

ARTICLE XVIII

WORKERS' COMPENSATION SUPPLEMENT

18.1 An employee who is injured in the performance of the employee's job duties and who is eligible to receive Workers' Compensation benefits may at the employee's discretion receive a supplement to the Workers' Compensation benefits as follows:

18.1.a The employee shall retain the Workers' Compensation benefits and shall receive from the EMPLOYER a supplement to be deducted from earned accrued sick leave, earned accrued vacation leave and accrued compensatory time off provided that the employee has such leave available for a period not to exceed ninety (90) days.

18.1.b The amount to be deducted from the employee's earned accrued sick leave, earned accrued vacation leave and accrued compensatory time shall be the difference between the Workers' Compensation benefits and compensation for the employee's normal work day or work week.

18.1.c Under no circumstances shall an employee who receives Workers' Compensation benefits and the supplements noted in 1.a and 1.b receive compensation which is in excess of the employee's normal work day or normal work week or which exceeds their normal net wages they received at the time of injury, providing all wages and deductions remain the same.

18.2 An employee may at the employee's discretion receive the supplement noted in Section 1 and deduct from the employee's earned accrued sick leave, earned accrued vacation leave and accrued compensatory time off until sick leave is exhausted. At such time, the supplement shall cease and the employee shall receive only the Workers' Compensation benefits.

ARTICLE XIX

RESIGNATION

19.1 Two (2) weeks of written prior notice shall constitute proper notice for an employee who is planning to resign in good standing.

19.2 Employees who leave without notice as provided herein shall forfeit any accumulated leave time they may have earned and shall be entitled to no other compensation other than the regular salary due on the date last worked.

19.3 On the employee's final date of employment, he/she shall be responsible for the surrender of all City property to include keys, uniforms, equipment, clothing, materials, etc., to the Public Works Director.

19.4 Any absence of an employee from scheduled duty that is not properly reported to and authorized by the Public Works Director shall be deemed an absence without leave for which compensation shall not be paid by the City. Unauthorized absence of an employee for three (3) consecutive work days shall be considered by the Public Works Director and the City Council as a resignation of such employee.

ARTICLE XX

COOPERATION

20.1 The membership of the Union agree to individually and collectively perform loyal and efficient work and service, and to use their influence and best efforts to protect the property of the Employer and its service to the public at all times. The Employer agrees to cooperate with the Union in its efforts to promote harmony and efficiency among the employees.

ARTICLE XXI

ENTIRE AGREEMENT

21.1 The Agreement constitutes the entire Agreement between the parties, and concludes collective bargaining for its term.

21.2 The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make requests and proposals with respect to any subject or matter not removed by law from the area of collective bargaining and that the understanding and agreement arrived at by the parties alter the exercise of that right and opportunity are set forth in this Agreement. The Employer and the Union, for the life of this Agreement, each voluntarily and unqualifiedly waives the right and agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter not referred to or covered in this Agreement. However, nothing herein shall prevent the parties from bargaining collectively during the term of this Agreement with respect to any subject not removed by law from a period not covered by this Agreement. Both parties, by mutual agreement, may modify and amend this Agreement, but such modification or amendment must be signed by both parties, and if not, the contract, as written, is binding.

ARTICLE XXII

SAVINGS

22.1 If any provision in this Agreement shall be found to be unlawful and unenforceable by reason of any existing or subsequent statute or ordinance or by decision of a court of competent jurisdiction, such provision shall be deemed null and void and of no further effect. However, such provision shall be severable from the remainder of this Agreement, and all other provisions hereof shall continue in full force and effect.

ARTICLE XXIII

ESTABLISHMENT OF VEBA WITH HEALTH REIMBURSEMENT ARRANGEMENT FOR ACTIVE EMPLOYEES

23.1 Establishment of VEBA: Effective 01/01/2007, Employer shall adopt the Minnesota Service Cooperatives VEBA Plan and the Employee Benefits Trust Agreement for the benefit of qualifying employees who are members of this Collective Bargaining Agreement. Employer and employees assent to and ratify the appointment of the Trustee and Plan Administrator in place on the adoption date of this agreement. It is intended that this arrangement constitute a Voluntary Employees' Beneficiary Association under Section 501(c)(9) of the Internal Revenue Code.

23.2 Benefits provided through the VEBA. Employer shall provide the following welfare benefit arrangement through the VEBA Plan:

The Health Reimbursement Arrangement for Active Employees.

23.3 Payment of Administrative Fee. Administrative fees allocable to individual accounts of active employees shall be paid by the Employer. Administrative fees allocable to the individual accounts of former employees, including retirees, shall be paid from individual accounts. Administrative fees shall be paid from individual accounts of all participants in the event the VEBA Plan is terminated.

23.4 Employer Contributions to Health Reimbursement Arrangement for Active Employees:

24.4.a Contributions to the Active Employees' Plan: Employer will make a bi-weekly contribution to individual accounts under the Health Reimbursement Arrangement for Active Employees for qualifying employees who are members of this Collective Bargaining Agreement in accordance with the following schedule: \$50 for each qualified employee who elects single coverage under the group health plan.

APPENDIX A

WAGE RATES

A. Position wages shall comply with the City Council adopted pay scale and shall comply with state mandated pay equity requirements commensurate with positions. Effective January 1, 2020, a general wage increase of 2.50% and effective January 1, 2021, a general wage increase of 2.50% for all classifications and step increases shall apply as follows:

Employee	Classification	Grade	Step	1-1-2020
Jarrold Nelson	Electric Supervisor	13	5	\$36.94
Ron Unger	Park/Rec Supervisor	13	7	\$39.38
Vacant	Street Supervisor	13	1	\$31.14
David Vosen	W/W Supervisor	13	7	\$39.38
Vacant	Lead Lineworker	12	5	
Dan Trapp	Lead W/WW Operator	11	7	\$34.38
Lance Diderrich	Journeyman Lineworker	11	7	\$34.38
Eric Henderson	Journeyman Lineworker	11	6	\$33.30
Kyle Wheeler	Apprentice Lineworker	11	4	\$31.24
Nathan Bless	Wastewater Operator	9	6	\$29.08
Jeff Ulve	Wastewater Operator	9	6	\$29.08
Mike Ness	Public Works-Streets	7	7	\$26.23
Kris Anderson	Public Works-Parks	7	7	\$26.23
Cory Carstensen	Public Works-Streets	7	7	\$26.23
Steve Burke	Public Works-Streets	7	7	\$26.23
Mike Bolster	Public Works-Parks/Arena	4	7	\$21.42
Mark Rappe - Part Time	Public Works-Parks	1	1	\$17.68

Public Works-Parks/Arena from Grade 4 to Grade 5 on January 1, 2021. Employees would move to the Step in Grade 5 that provides a wage increase.

Journeyman Lineworker from Grade 11 to Grade 12 on January 1, 2021. Employees would move to the Step in Grade 12 that provides a wage increase.

Lead Lineworker from Grade 12 to Grade 13 on January 1, 2021. Employees would move to the Step in Grade 13 that provides a wage increase.

Electric Supervisor from Grade 13 to Grade 14 on January 1, 2021. Employees would move to the Step in Grade 14 that provides a wage increase.

APPENDIX B

NOTES REGARDING WAGE SCHEDULES

- A. The preceding wage schedules shall not constrain the EMPLOYER from hiring an employee at any step in the schedule.
- B. Temporary employees employed for no more than 960 hours per calendar year either in a full-time or part-time capacity will be paid at an hourly rate as determined by the EMPLOYER for the term of their employment. Such employees will not be eligible for any rights or benefits under this AGREEMENT.
- C. Progression through the step schedule on the anniversary date each year shall require satisfactory performance as determined by the EMPLOYER but nothing shall prevent accelerated movement throughout the step schedule at the discretion of the EMPLOYER.
- D. Apprentice Line Workers shall receive wages based on their advancement through the forty-eight (48) month Journeyman Program based on current Journeyman Lineworker grade and wage scale as follows: 1st six months, Step 1; 2nd six months, Step 1; 3rd six months, Step 2; 4th six months, Step 3; 5th six months, Step 4; 6th six months, Step 5; 7th six months, Step 6; 8th six months and completion with certification, Step 7. Employee must submit proof of the completion of the coursework every 6 months.
- E. The city will provide reimbursement for the difference in cost to employees between a CDL License and an A or B License.

APPENDIX C

SENIORITY CHART BARGAINING UNIT CLASSIFICATIONS CITY OF KASSON

SENIORITY LIST & BARGAINING UNIT CLASSIFICATIONS – City of Kasson						
Employee	Start Date		Bargaining Unit Date	Classification Date		Classification
Ron Unger	12/12/1988		12/12/1988	3/12/1997		Park/Rec Supervisor
Dan Trapp	3/11/2002		3/11/2002	6/26/2013		Lead W/WW Operator
Mike Ness	3/20/2006		3/20/2006	3/20/2006		Public Works-Streets
Jeff Ulve	4/10/2006		4/10/2006	5/9/2012		Water/WW Operator
Kris Anderson	01/01/2012		01/01/2012	01/01/2012		Public Works-Parks
Corey Carstensen	2/4/2013		2/4/2013	3/12/2014		Public Works-Parks
Jarrold Nelson	3/18/2013		3/18/2013	3/18/2013		Electric Supervisor
Lance Diderrich	4/22/2013		4/22/2013	4/22/2013		Journey Lineworker
Mike Bolster	6/26/2013		6/26/2013	6/26/2013		Public Works-Parks/Ice Arena
Steve Burke	9/22/2014		9/22/2014	9/22/2014		Public Works-Streets
David Vosen	4/3/2017		4/3/2017	10/3/2017		Water/WW Supervisor
Mark Rappe	4/16/2017		4/16/2017	11/21/2017		Public Works-Streets
Nathan Bleess	6/17/2019		12/17/2019	12/17/2019		Water/WW Operator
Eric Henderson	10/14/2019		4/14/2020	4/14/2020		Journeyman Lineworker
Kyle Wheeler	10/14/2019		4/14/2020	4/14/2020		Apprentice Lineworker

APPENDIX D

POLICY ON UNUSED SICK LEAVE

When an employee leaves employment with the City of Kasson and meets the minimum requirements of this program as outlined below, he/she shall be eligible to participate in a post-employment insurance program provided by the City of Kasson.

A. Employee has completed:

1. Ten (10) to fourteen (14) years of employment with the City of Kasson and;
2. Has between three hundred (300) and four hundred (400) hours of sick leave accumulated as of their last day of employment.

This employee shall have the first 300 hours accumulated converted on a 2 to 1 formula. The dollar value of accumulated sick leave hours (base 300 hours) will be equal to one-half (1/2) of the hours at the time of qualification multiplied by the employee's hourly rate of pay at the time of qualification.

The hours accumulated in excess of 300, up to 600 hours shall be converted on a 4 to 1 formula. The dollar value of accumulated sick leave in excess of the 300 base hours shall be equal to one-fourth (1/4) of the hours at the time of qualification, multiplied by the employee's hourly rate of pay at the time of qualification.

The total dollars available based on the formulas as described above shall be deposited in the insurance program provided by the City for the sole purpose of paying medical related expenses.

B. Employee has completed:

1. Fifteen (15) to nineteen (19) years of employment with the City of Kasson and;
2. Has between four hundred (400) and five hundred (500) hours of sick leave accumulated as of their last day of employment.

This employee shall have the first 450 hours accumulated converted on a 2 to 1 formula. The dollar value of accumulated sick leave hours (base 450 hours) shall be equal to one-half (1/2) of the hours at the time of qualification, multiplied by the employee's hourly rate of pay at the time of qualification.

The hours accumulated in excess of 450, up to 600 hours shall be calculated on an hour for hour (1-1) formula. The dollar value of accumulated sick leave hours in excess of 450 base hours shall be equal to each hour (1-1) at the time of qualification, multiplied by the employee's hourly rate of pay at the time of qualification.

The total dollars available based on the formula as described above shall be deposited in the insurance program provided by the City for the sole purpose of paying medical related expenses.

C. Employee has completed:

1. Twenty (20) or more years of employment with the City of Kasson and;
2. Has between five hundred (500) and six hundred (600) hours of sick leave accumulated as of their last day of employment.

That employee shall have the first 450 hours accumulated converted on an hour for hour (1-1) formula. The dollar value of accumulated sick leave hours (the first 450 hours) shall be equal to the hours multiplied by the employee's hourly rate of pay at the time of qualification.

The hours accumulated in excess of 450, up to 600 hours shall be converted on a two to one (2-1) formula. The dollar value of accumulated sick leave hours in excess of 450 hours shall be equal to one-half (1/2) of the hours at the time of qualification, multiplied by the employee's hourly rate of pay at the time of qualification.

The total dollars available based on the formulas as described above shall be deposited in the insurance program provided by the City for the sole purpose of paying medical related expenses.

D. Employees who do not meet the minimum range of accumulated hours in the program; 300-400 hours for 10-14 years; 400-500 hours for 15-19 years; and 500-600 hours for 20 or more years, shall not be eligible to receive any payment for unused sick leave.

E. All monies earned as a result of this unused sick leave program must be used to pay medical related expenses per the program provided by the City of Kasson. No monies shall be paid directly to the qualified employee.

APPENDIX E

On-Call Positions

1. STANDBY

A. Monday through Friday

3:30 p.m. to 7:00 a.m.

Pay – one (1) hour at straight time for each such day of standby plus regular call-out pay as outlined in Article 10.7.

B. Saturday and Sunday

7:00 a.m. Saturday to 7:00 a.m. Monday

Pay – three (3) hours at straight time for each such day of standby plus regular call-out pay as outlined in Article 10.7.

C. Holidays

7:00 a.m. the day of the holiday to 7:00 a.m. the day after the holiday.

Pay – three (3) hours at straight time for the one (1) day of standby plus regular call-out pay as outlined in Article 10.7.

D. Standby Provisions

- 1) Electric, Water-Wastewater, Street and Park-Recreation department personnel scheduled for standby shall be compensated per Appendix E, Section 1 as listed above.
- 2) Compensatory time may be taken in lieu of payment for standby status.
- 3) Employees may substitute for standby coverage at their discretion, and shall notify the Public Works Director of these changes.
- 4) Management shall supply a dedicated Standby Cell Phone for employees on standby. All call out requests shall be routed to these Cell Phones.

- 5) For the purposes of this article, standby shall require the on-call Employee to be able to respond within thirty (30) minutes to the Public Works Building and be fit for duty.

2. Electric Department

- A. Standby for all Electric personnel shall commence January 1st and continue through December 31st for each year of the agreement.
- B. One (1) Electric employee shall be subject to standby duty for a week at a time.
- C. Electric personnel scheduled for standby may be exempt from after hour's snow removal duties at their discretion per Article XII.
- D. Linemen may call in or request additional assistance, if needed, at their discretion per Federal OSHA standard 1910.269(l)

3. Water-Wastewater Department

- A. Standby for all Water-Wastewater personnel shall commence January 1st and continue through December 31st for each year of the agreement.
- B. One (1) Water-Wastewater employee shall be subject to standby duty for a week at a time.
- C. Water-Wastewater personnel scheduled for standby may be exempt from after hour's snow removal duties at their discretion per Article XII.

4. Street Department

- A. Street Department personnel may be periodically placed On-Call based on weather conditions at the discretion of the Public Works Director.

5. Park-Recreation Department

- A. Standby for all Park-Recreation personnel shall commence during the period the Aquatic Center is open.
 - B. One (1) Park-Recreation employee shall be subject to standby duty for a week at a time.
- 1) Park-Recreation personnel may be periodically placed On-Call based on weather conditions at the discretion of the Public Works Director.

APPENDIX F

SICK LEAVE BENEFITS; CARE OF RELATIVES

Section 1 – Minnesota State Statute 2012, Section 181.9413

An employee may use personal sick leave benefits provided by the employer for absences due to an illness of, or injury to, the employee's child, as defined in section 181.940, subdivision 4, adult child, spouse, sibling, parent, 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 employee's own illness or injury. This section applies only to personal sick leave benefits payable to the employee from the employer's general assets.

An employer may limit the use of personal sick leave benefits provided by the employer for absences due to an illness of, or injury to, the employee's adult child, spouse, sibling, parent, grandparent or stepparent to no less than 160 hours in any 12-month period. This paragraph does not apply to absences due to the illness or injury of a child, as defined in section 181.940, subdivision 4.

For purposes of this section, "personal sick leave benefits" means time accrued and available to an employee to be used as a result of absence from work due to personal illness or injury, but does not include short-term or long-term disability or other salary continuation benefits.

For the purpose of this section, "child" includes a stepchild and a biological, adopted, and foster child.

This section does not prevent an employer from providing greater sick leave benefits than are provided for under this section.

This section is effective August 1, 2013, and applies to sick leave used on or after that date.

\$100 for each qualified employee who elects family coverage under the group health plan.

23.5 Alternative Group Health Plan: Employer shall also make available a group Health Savings Account plan. With respect to qualifying employees who are members of this Collective Bargaining Agreement, Employer shall contribute an amount not to exceed 90% towards the monthly premium cost for single group health coverage, and 80% towards the monthly premium cost for family group health coverage. VEBA or HSA participation shall be mandatory for all full time employees hired after January 1, 2012.

ARTICLE XXIV

DURATION

24.1 This AGREEMENT shall be effective as of January 1, 2020 and shall remain in full force and effect until December 31, 2021.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT on this 20th day of March, 2020.

CITY OF KASSON, MN:

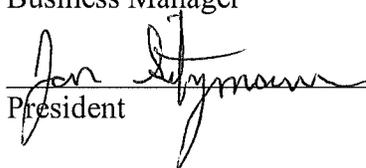


Mayor


City Administrator

IBEW Local 949



Business Manager


President

LABOR AGREEMENT

BETWEEN

CITY OF KASSON

AND

**MINNESOTA PUBLIC EMPLOYEES
ASSOCIATION**

Representing

Patrol Officers & Essential Employees

Effective January 1, 2020 through December 31, 2021

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LABOR AGREEMENT
Between
The CITY OF KASSON
and
MINNESOTA PUBLIC EMPLOYEES ASSOCIATION

ARTICLE I. PURPOSE OF AGREEMENT

This Agreement is effective as of the 1st day of January, 2020, between the City of Kasson and the Minnesota Public Employees Association.

It is the intent and purposes of this Agreement to:

- 1.1 Assure sound and mutually beneficial working and economic relationships between the parties hereto;
- 1.2 Establish procedures for the resolution of disputes concerning this Agreement's interpretation and/or application; and
- 1.3 Place in written form the parties agreement upon terms and conditions of employment for the duration of this Agreement.

The Employer and the Union through this Agreement, shall continue their dedication to the highest quality service and protection to the City of Kasson. Both parties recognize this Agreement as a pledge of this dedication.

ARTICLE II. RECOGNITION

- 2.1 The Employer recognizes the Union as the exclusive representative under Minnesota Statutes Section 179A.03, Subdivision 14:

For all employees of the Kasson Police Department who work more than fourteen (14) hours per week and more than sixty-seven (67) days per year, including the Chief of Police and Assistant Chief.

- 2.2 The Employer shall not enter into any agreement covering terms and conditions of employment with the employees in the bargaining unit under the jurisdiction of this Agreement, either individually or collectively, which in any way conflicts with the terms and conditions of this Agreement, except through the exclusive representative.

ARTICLE III. DEFINITIONS

- 3.1 UNION: Minnesota Public Employees Association
- 3.2 UNION MEMBER: A member of the Minnesota Public Employees Association.
- 3.3 EMPLOYEE: A member of the bargaining unit covered by this Agreement.
- 3.4 REGULAR EMPLOYEE: An employee who has completed the probationary period and possesses a P.O.S.T. license.
- 3.5 PROBATIONARY EMPLOYEE: Employee who has not completed the 12-month probationary period.
- 3.6 EMPLOYER: The City of Kasson.
- 3.7 SCHEDULED SHIFT: A consecutive work period including rest breaks and a lunch break.
- 3.8 REST BREAKS: Two (2) fifteen (15) minute break periods during which the employee remains on continuous duty and is responsible for assigned duties.
- 3.9 LUNCH BREAK: A one-half (½) hour paid period during the scheduled shift during which the employee remains on continual duty and is responsible for assigned duties.
- 3.10 P.E.L.R.A.: Public Employment Labor Relations Act, Minnesota Statutes, Chapter 179A.
- 3.11 SENIORITY: The employees' length of continuous employment with the Police Department.
- 3.12 EXEMPT EMPLOYEE: Meets the criteria outlined in one of the four Fair Labor Standards Act (FLSA) exemptions (Executive, Administrative, Professional and Computer) in order to meet the "duties" test and be considered exempt.

ARTICLE IV. EMPLOYER SECURITY

- 4.1 It is understood and agreed that the services performed by employees covered by this Agreement are essential to the public health and safety and neither the Union, its officers or agents, nor such employee shall engage in a strike. The term "strike" shall have the meaning ascribed to it by Section 179A.03, Subdivision 16, Minnesota Statutes.
- 4.2 In case any employee violates this Article, the Union shall immediately notify such employee in writing to cease such action and instruct him/her to return to his/her

normal duties. Any employee who violates any provision of this Article may be discharged or otherwise disciplined.

ARTICLE V. EMPLOYER AUTHORITY

- 5.1 It is recognized that, except as expressly stated herein, the City shall retain whatever rights and authority necessary for it to operate and direct the affairs of the Police Department in all its various aspects, including, but not limited to, the right to direct the working forces; to plan, direct and control all the operations and services of the department; to determine the methods, means organization, the number of personnel by which such operations and services are to be conducted; to assign and transfer employees; to schedule working hours and to assign overtime; to determine whether goods and services should be made or purchased; to hire, demote, suspend, discipline, discharge, or relieve employees due to lack of work or other legitimate reasons; to make and enforce reasonable rules and regulations; and to change or eliminate existing methods, equipment or facilities; the employer specifically retains the sole right to sub-contract for any or all of its manpower needs at any time.
- 5.2 The exercise of the foregoing powers, rights, authority, duties and responsibilities by the City, the adoption of policies, rules and regulations, and practice in furtherance thereof, and the use of judgment in connection therewith shall not be the subject of any grievance or arbitration proceeding except as specifically provided for in this agreement.

ARTICLE VI. UNION SECURITY

- 6.1 The Employer agrees to deduct from the wages of each Union member, upon written authorization of the employee, an amount equal to the regular dues of the Union, such deduction to be divided equally and taken from the first two pay periods each month, and to monthly transmit to the appropriate designated officer of the Union the total amount so deducted together with a list of the names of the employees from whose pay deductions were made.
- 6.2 The Union may designate two (2) employees from the bargaining unit to act as Union Stewards. The Employer agrees to recognize the designated Union Stewards.
- 6.3 The Employer shall make space available on the employee bulletin board for posting Union notices and announcements.
- 6.4 Non-employee representatives of the Union shall be permitted to come on the premises of the Employer at reasonable times for the purposes of investigating and discussing grievances, provided the Union representative does not interfere with the work of the employee.

6.5 The Union agrees to indemnify and hold the Employer harmless against any and all claims, suits, orders, or judgments brought or issued against the Employer as a result of any action taken or not taken by the Employer under the provisions of this Article.

ARTICLE VII EMPLOYEE RIGHTS - GRIEVANCE PROCEDURE

7.1 **DEFINITIONS OF A GRIEVANCE:** A grievance is defined as a dispute as to the interpretation or application of the specific terms and conditions of this Agreement.

7.2 **UNION REPRESENTATIVES:** The Employer will recognize representatives designated by the Union as the grievance representative of the bargaining unit having the duties and responsibilities established by this Article. The Union shall notify the Employer in writing of the name of such Union representative and of his/her successor when so designated.

7.3 **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 the employees and shall therefore be accomplished during normal working hours only when consistent with such employee duties and responsibilities. The aggrieved employee and a 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.

7.4 **PROCEDURE:** Grievance as defined in Section 7.1, 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 fourteen (14) 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 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, 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) 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 2A. If the grievance is not resolved at Step 2 of the grievance procedure, the parties, by mutual agreement, may submit the matter to mediation with the Bureau of Mediation Services. Submitting the grievance to mediation preserves timelines for Step 2 of the grievance procedure.
- STEP 3. A grievance unresolved in Step 2 and appealed to Step 3 by the Union shall be submitted to arbitration subject to the provisions of the PELRA, as amended. The selection of an arbitrator shall be made in accordance with the rules established by the Bureau of Mediation Services.

7.5 ARBITRATOR'S AUTHORITY

- 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.
- 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.
- 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.

- 7.6 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 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 written agreement of the Employer and the Union in each step.

If the time limit specified in this Article falls on a Saturday, Sunday or holiday, the time limit for filing is extended to the next working day.

ARTICLE VIII. DISCIPLINE

- 8.1 The Employer will discipline employees for just cause only. Discipline will be in one (1) or more of the following forms:
- 1) Oral reprimand;
 - 2) Written reprimand;
 - 3) Suspension;
 - 4) Demotion; or
 - 5) Discharge
- 8.2 Suspensions, demotions and discharges will be in written form.
- 8.3 Written reprimands, notices of suspension and notices of discharge which are to become part of an employee's personnel file shall be read and acknowledged by the signature of the employee. Employees and the Union will receive a copy of such reprimands and/or notices. Disciplinary matters contained in an employee's personnel file shall be reviewed by the City Administrator and the employee every twenty-four (24) months to determine whether a disciplinary matter should be removed from the employee's file. The decision regarding whether or not to remove a disciplinary matter shall be within the sole discretion of the City Administrator and the Administrator's decision shall not be the subject of a grievance.
- 8.4 Employees may examine their own individual personnel files at reasonable times under the direct supervision of the Employer.
- 8.5 Grievances relating to this Article shall be initiated by the Union in Step 2 of the grievance procedure under Section 7.4.

- 8.6 Prior to any vote by the City Council to eliminate any full-time position held by any employee covered by this agreement, the City Council shall be required to make bone fide findings of fact that either the functions delineated in the job description of the position are unnecessary, not in the public interest, or that the functions can be more efficiently and effectively performed by another member of the staff. The City Council shall also review the results of an external salary study to determine impact and the proposed distribution of job responsibilities and the effect on the pay scale and position points.

ARTICLE IX. HOURS OF WORK

- 9.1 The Employer is the sole authority in establishing work schedules.
- 9.2 The normal work day shall consist of consecutive hours of eight (8) hours up to and including twelve (12) hours.
- 9.3 The normal work week shall consist of an average of forty (40) hours per week in any four (4) week period.
- 9.4 The normal work year consists of two thousand and eighty hours (2,080) to be accounted for by each employee through:
- a) hours worked on assigned shifts;
 - b) holidays;
 - c) assigned training;
 - d) authorized leave time.

ARTICLE X. OVERTIME

- 10.1 Hours of work in excess of an average of forty (40) hours per week in any four (4) week period, shall be paid for at the rate of one and one-half (1½) times the employee's regular straight-time rate of pay.

Changes of shifts do not qualify an employee for overtime under this Article.

- 10.2 Overtime will be calculated to the nearest fifteen (15) minutes.
- 10.3 Employees have the obligation to work overtime if requested by the Employer.
- 10.4 Employees may be paid for overtime worked in accordance with Section 10.1 or be allowed to accumulate compensatory time in accordance with Section 10.1 at the discretion of the Employer. Accrual and use of compensatory time off shall be subject to the prior approval of the Employer. Accrual shall not exceed eighty (80) hours. Exempt employees shall not receive overtime pay.

ARTICLE XI. INJURY ON DUTY

- 11.1 An employee who is injured in the performance of the employee's job duties, who is eligible to receive Workers' Compensation benefits, may at the employee's discretion (provided a doctor's certificate is filed with the City Administrator stating that the employee is not able to return to work) receive a supplement to the Workers' Compensation benefits as follows:
- 11.2 An employee working with clients or residents, who in the ordinary course of employment as a police officer for the City of Kasson while acting in a reasonable and prudent manner and in compliance with the established rules and procedures of the City of Kasson, incurs a disabling injury stemming from the aggressive and/or intentional and overt act or consequences of such act of a client or resident, shall receive compensation in an amount equal to the difference between the employee's base pay rate and benefits paid under workers' compensation, if any, for a period not to exceed ninety (90) calendar days.
- 11.3 The employee (except those as defined in 11.2 above) shall retain the Workers' Compensation benefits and shall receive from the Employer a supplement to be deducted from earned accrued sick leave, earned accrued vacation leave and accrued compensatory time off, provided that the employee has such leave available for a period not to exceed ninety (90) days. At such time the supplement shall cease and the employee shall receive only the Workers' Compensation benefits.
- 11.4 The amount to be deducted from the employee's earned accrued sick leave, earned accrued vacation leave and accrued compensatory time shall be the difference between the Workers' Compensation benefits and compensation for the employee's normal work day or work week.
- 11.5 Under no circumstances shall an employee, who receives Workers' Compensation benefits and the supplements noted in 11.2 and 11.3, receive compensation which is in excess of the employee's normal work day or normal work week or which exceeds their normal net wages they received at the time of the injury, providing all wages and deductions remain the same.

ARTICLE XII. VACATION LEAVES

- 12.1 a. Eligibility: Employees shall accrue paid vacation at the regular rate of pay on a pro-rate of pay on a pro-rata basis for actual hours worked. Only time actually worked while the employee is so classified shall count toward vacation eligibility and benefits.

Employees regularly scheduled to work less than thirty (30) hours per week shall not be eligible for vacation benefits.

- b. Amount of Vacation Allowed: Eligible employees beginning one through two (1-2) years consecutive full-time service shall earn vacation leave at the rate of 3.08 hours per pay period of eligible service.

Each eligible employee beginning three through seven (3-7) years consecutive full-time service shall earn vacation leave at the rate of 4.62 hours per pay period of eligible service.

Each eligible employee beginning eight through eleven (8-11) years of consecutive full-time service shall earn vacation leave at the rate of 5.54 hours per pay period of eligible service.

Each eligible employee beginning twelve through fifteen (12-15) years of consecutive full-time service shall earn vacation leave at the rate of 6.46 hours per pay period of eligible service.

Each eligible employee beginning sixteen (16) plus years of consecutive full-time service shall earn vacation leave at the rate of 7.39 hours per pay period of eligible service.

Beginning 1 thru 2 consecutive years	3.08 hours per pay period (10 days)
Beginning 3 thru 7 consecutive years	4.62 hours per pay period (15 days)
Beginning 8 thru 11 consecutive years	5.54 hours per pay period (18 days)
Beginning 12 thru 15 consecutive years	6.46 hours per pay period (21 days)
Beginning 16+years consecutive full-time service	7.39 hours per pay period (24 days)

- c. Other Terms and Conditions: New employees earn vacation benefits from the start of their employment, but may not use vacation until the completion of six (6) months of employment.

Transferred and promoted employees may utilize accrued vacation time during their probationary period only with the approval of their supervisor. Vacation time accrued by an employee in another office or department shall be transferred with the employee to the new office or department.

Employees who are on a lay-off or on an authorized leave of absence without pay shall not accrue vacation time during the period of such lay-off or authorized leave.

- d. Accrual: An employee may accrue vacation leave to a maximum of one and one-half (1½) times the vacation leave earned by the employee in the year.

Four (4) or more continuous weeks of vacation may be taken only if efficient operation of the department can be continued and must be approved by the City Council.

- e. Requests: On a regular basis, the City Administrator shall consult with the employees eligible for vacation to determine the vacation schedule for the department. Employees requesting vacation time shall submit such request in writing at least ten (10) days in advance to the department supervisor.

If more than one employee in a given office requests vacation time for the same period, requests shall be considered by the City Administrator and vacation shall be granted on the basis of seniority. Requests for vacation time shall not be granted if the employee's absence may impair the efficiency of the Police Department.

- f. Waiving Vacation Period: Employees shall not be permitted to waive vacation time for the purpose of receiving double pay.

Employees may use accumulated vacation time as an extension of sick leave, provided sick leave benefits have been exhausted, with the approval of the City Administrator.

- g. Terminal Vacation: When an employee has successfully completed his/her probationary period and has given proper notice or when an employee is laid off or retires, he/she shall be paid for vacation time accrued and unused to the date of separation.
- h. For January 1, 2020 through December 31, 2021, due to the unique circumstances with staffing, licensed staff may cash out up to forty (40) hours of vacation annually if at least eighty (80) hours of vacation has been used in the previous twelve (12) months. Cash-out of vacation is limited to once per calendar year.

ARTICLE XIII. SICK LEAVE

- 13.1 a. Eligibility: Employees working more than twenty (20) hours per week shall be eligible for sick leave grants. In the case of regular part-time employees, grants shall be made on a pro-rated basis directly proportionate to the number of hours worked.

Employees classified as probationary, temporary part-time, and seasonal will not be eligible for sick leave. In the case of probationary employees, sick leave benefits shall accrue during the probationary period, but shall not be used during that time period, except as allowed in paragraph 13.1b.

- b. When granted: Sick leave with pay will be granted for a bona fide personal illness, medical examination, medical treatment, legal quarantine, or in case of a work-connected injury.

When an employee is eligible for Workers' Compensation payments from the City, he/she may supplement these payments with a pro-rated portion of his/her regular pay so that the combination of the two will equal his/her regular pay for the period.

- c. Funeral Leave: In the event of death of a member of the immediate family, funeral leave may be taken for the actual time required, not to exceed three (3) work days, except with the approval of the department supervisor. However, in the case of a spouse or child, up to forty (40) hours per incident may be granted. "Immediate family" shall mean spouse, children, parents, grandparents, grandchildren, siblings, or spouse's immediate family. Employees are also granted eight (8) hours within a 12 month period of funeral leave to be used for funerals not involving immediate family members with the approval of the employee's department supervisor. These hours are deducted from the employee's sick leave account.

No sick leave shall be granted to an employee during the first six (6) months of his/her employment, but leave shall accrue from the start of said employment and may be used after the completion of six (6) months of service.

- d. Request for: When a request for sick leave is necessary, employees shall notify their respective department supervisors at the earliest practicable time. Failure to make diligent effort to give such notice may result in a payroll deduction for the time taken.

A doctor's verification of illness or ability to return to work may be required after an employee has been absent for three (3) days on sick leave. If employees have been incapacitated for a major portion of the leave time taken, they may be required to provide to their respective department supervisor, evidence of being physically, mentally and emotionally able to perform their duties upon returning to work.

- e. Accrual: 3.39 hours of earned sick leave shall be granted for each pay period of employment or major fraction thereof. Unused sick leave shall accrue and there shall be a maximum accumulation of one thousand, (1,000) hours for employees hired prior to January 1, 1999. Employees hired on or after January 1, 1999 shall be allowed to have a maximum accumulation of 600 hours of sick leave. Additions to or deductions from each employee's sick leave account shall be made monthly. Only days which the employee would normally have worked will be charged against his/her sick leave account.

- f. Exclusions: The following situations are excluded from sick leave benefits:

- 1. When holidays occur during an employee's sick leave.

2. After termination of employment.

13.2 a. Court and Jury Duty Leave: After notice to department supervisor, an employee shall be granted leave with pay for:

1. Service upon a jury.
2. Appearance before a court, legislative committee or other judicial or response to a subpoena or other direction by proper authority.

The employee shall turn over to the City any per diem payment received as a result of serving on a jury or as a witness in the above listed actions. Money received as expenses shall be kept by the employee.

Any absence, whether voluntary or in response to a legal order to appear and testify in private litigation, not as an employee of the City but as an individual, shall be taken as annual leave, as leave of absence without pay, or as a deduction from authorized accumulated overtime.

If an employee who is on jury duty or is appearing as a witness in accordance with Section 2 of Article 13.2 is released prior to the end of the employee's scheduled duty shift, the employee will return to his/her scheduled duty when released.

13.3 An employee who fails to report for work or to call in to notify his/her supervisor for three (3) work days shall be considered to have voluntarily resigned.

13.4 Post Retirement Policy on Unused Sick Leave: See attached Exhibit B.

ARTICLE XIV. HOLIDAYS

14.1 All employees shall receive the following paid holidays:

New Year's Day	-	January 1
Martin Luther King Day	-	3 rd Monday in January
Presidents' Day	-	3 rd Monday in February
Memorial Day	-	last Monday in May
4 th of July	-	(Independence Day)
Labor Day	-	1 st Monday in September
Veteran's Day	-	November 11 th
Thanksgiving Day	-	4 th Thursday in November
Day after Thanksgiving		
Christmas Day		

14.2 Holiday Pay: An employee scheduled to work on a holiday shall receive the following:

Time and one-half (1½) the employee's regular rate of pay for all hours worked on the holiday.

- 14.3 Holidays occurring during any paid leave, shall not be charged to the time the employee has taken on paid leave.
- 14.4 All regular employees working one-half (½) time are eligible for holidays at their regular rate of pay on a pro-rata basis.
- 14.5 Full time non-exempt employees shall receive 50 hours holiday pay the first pay period in July as paid or compensatory time added to their bank and 50 hours holiday pay the first pay period in December as paid or compensatory time added to their bank regardless of daily shift hours. Employees who are separated from City employment during the calendar year shall have their holiday check prorated at the time of separation. Part time employees shall receive pro-rated holiday pay based on their hours of work.

ARTICLE XV. PROBATIONARY PERIOD AND SENIORITY

- 15.1 All newly hired or rehired employees shall serve a probationary period. During the probationary period newly hired or rehired employees may be terminated at the sole discretion of the Employer.
- 15.2 Vacation and sick leave benefits shall be earned, but may not be used by newly hired or rehired employees during the first six (6) months of their probationary period.
- 15.3 Upon completion of the probationary period, employees shall become regular employees within the meaning of this Agreement.
- 15.4 A reduction of work force will be accomplished on the basis of seniority. Employees shall be recalled from layoff on the basis of seniority. An employee on layoff shall have an opportunity to return to work within nine (9) months of the time of his/her layoff before any new employee is hired; except that any employee on layoff who is notified by registered mail to return to work and fails to do so within ten (10) work days shall be considered to have voluntarily terminated employment with the Employer.
- 15.5 Management shall have the prerogative of deciding when there is an opening in the bargaining unit. When an opening occurs that might involve a lateral transfer or a promotion within the positions covered by this agreement, notice shall be posted on the union bulletin board for a minimum of five (5) working days. Within thirty (30) working days after the close of the posting, management must promote or transfer an employee to this vacant position if a qualified employee, as determined by management, has applied for the position. Qualifications that will

be considered (although not exclusively) will include department seniority, experience and training.

ARTICLE XVI. INSURANCE

16.1 The City agrees to continue, during the term of this Agreement, to provide those insurance benefits that are currently available to all employees covered by this Agreement. That benefit level is: 100% of accidental death and dismemberment, life insurance, short-term and long-term disability insurance; and 90% of single health insurance premium and 80% of family health insurance premium. All new full-time hires are required to enroll in a HSA Health Plan. Furthermore, the City agrees to advise the Union of any changes proposed in the insurance benefits during the term of this Agreement.

Effective January 1, 2020 and January 1, 2021, the health insurance plan will be the PEIP Advantage Health Plan HSA Compatible Cost Level 4 and the City's contribution towards the VEBA/HSA represents 50% of the out-of-pocket maximum on said plan.

16.2 Full-time salaried employees and regular part-time employees who are regularly scheduled to work thirty (30) hours or more per week on a year-round basis under the classified plan shall be eligible to be included in, and covered by the City's group insurance program. Coverage as to a new employee shall commence on the first day of the month following the beginning of employment.

16.3 In the event that an otherwise eligible terminated employee elects not to continue coverage, coverage as to said employee and his dependents shall terminate on the last day of the month in which the employee is terminated.

16.4 Insurance Committee Meetings: The Union shall designate a representative to be on an Insurance Committee to represent the Police Department for any necessary Insurance meetings.

ARTICLE XVII. PRE-EMPLOYMENT PHYSICAL

A pre-employment physical shall be mandatory at the City's expense.

ARTICLE XVIII. UNIFORMS

18.1 Initial Allowance: The Employer agrees to provide each new employee with a complete uniform set and all necessary equipment needed to carry out the required duties of a Police Officer for the City of Kasson. All uniforms shall conform with Minnesota State Statute 626.88. The minimum provided shall consist of three (3) summer and three (3) winter uniform shirts, three (3) uniform trousers, 2 ties, one (1) summer and one (1) winter jacket, one (1) pair winter safety boots and one (1) pair summer safety boots, along with necessary headgear. All badges,

insignia, patches, official police identification and other required equipment shall be provided by the City. The City shall also provide the officer's uniform duty belt, handcuffs and required holsters and accessories.

- 18.2 The Employer shall provide the duty weapon, make, model, and caliber shall be subject to approval of the City Administrator. Official duty ammunition and ammunition utilized for POST required qualification shall be provided by the Employer.
- 18.3 Upon approval by the City Administrator, employees shall be reimbursed for safety boots when boots are worn out and no longer protect the employee. The Investigator and School Resource Officer shall receive an allotment up to five hundred dollars (\$500.00) per year as a clothing allowance which shall be disbursed on a reimbursement basis when receipts are submitted for qualified purchases. Part-time employees shall receive an allotment based on a pro-rated basis. All equipment and uniforms issued and purchased by the City of Kasson are the property of the City and shall be returned in the event of separation of employment.
- 18.5 Damaged Property: The Employer agrees to replace all clothing, equipment, and/or personal property damaged or destroyed in the line of duty at no cost to the employee.
- 18.6 An employee shall return any equipment and property purchased by the City upon their separation from employment.

ARTICLE XIX. COURT TIME

- 19.1 Any employee (part-time or full time) who is required to appear in Court during his/her scheduled off duty time shall receive pay at one and one-half (1½) times the employee's base rate of pay. The officer shall be paid for court time from the time the officer leaves his/her home destined for the courthouse to the time the officer returns home from the courthouse. An employee shall receive a minimum of two (2) hours pay for court time.

ARTICLE XX. CALL BACK TIME AND STANDBY

- 20.1 Any employee (part-time or full time) who is called to duty during his/her scheduled off-duty time shall receive pay at one and one-half (1½) times the employee's base rate of pay. The officer shall be paid for call back time from the time the officer leaves his/her home due to the call back to the time the officer returns home from the call back. Officers shall be paid a minimum of two hours at one and one-half (1½) times the employee's base rate of pay for call back time.

ARTICLE XXI. CONSTITUTIONAL PROTECTION

Employees shall have the rights granted to all citizens by the United States and Minnesota State Constitutions.

ARTICLE XXII. WAGES See attached Exhibit A.

January 1, 2020, 2.5% general wage adjustment
January 1, 2021, 2.5% general wage adjustment

ARTICLE XXIII. TRAINING AND LICENSES

23.1 Training and Licenses: Employees shall be reimbursed for expenses incurred relative to approved training required to maintain P.O.S.T. licensure. The City shall pay all costs incurred for the P.O.S.T. Licenses.

23.2 Employees shall submit requests for such training to the City Administrator, or the designee, for prior approval. Such requests shall contain a description of the course, credits allowed, and an itemized statement of expenses. Allowable expenses are as follows:

1. Full cost for tuition and fees;
2. Books, if required;
3. Mileage and meals;
4. Motel or hotel, if the distance and length of course required staying overnight

ARTICLE XXIV. SAVINGS CLAUSE

This Agreement is subject to the laws of the United States, the State of Minnesota, and the City of Kasson, in the event any provision of this Agreement shall be held to be contrary to the law by a court of competent jurisdiction from whose final decree or judgment no appeal has been taken within the time limit provided, such provision shall be voided. All other provisions of this Agreement shall continue in full force and effect. The voided provision may be renegotiated at the written request of either party.

ARTICLE XXV. MILEAGE

Employees are not required to use their personal vehicles in performance of law enforcement duties. Under no circumstances will employees receive mileage reimbursement for traveling to and from their assigned work location.

ARTICLE XXVI. WAIVER

26.1 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.

26.2 The parties mutually acknowledge that during the negotiations which results in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any term or condition of employment not removed by law from bargaining. All agreements and understanding 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.

ARTICLE XXVII. DURATION OF AGREEMENT

This Agreement shall remain in effect beginning January 1, 2020 through the 31st day of December 2021.

ARTICLE XXVIII. ON CALL REOPENER CLAUSE

If during the term of this agreement it is determined by management that it is necessary to place employees covered by this agreement either on call or to require them to be on pager standby, the Union and the City mutually agree to open the contract for the purpose of discussing only these working conditions.

IN WITNESS HEREOF, the parties hereto set their hands and seals this _____ day of _____, 2020.

City of Kasson, MN

Minnesota Public Employees Association

MAYOR



BUSINESS AGENT

STEWARD

CITY ADMINISTRATOR

STEWARD

Exhibit A - Hourly Wage Rates

Effective 1/1/2020 – a 2.5% general wage increase
 Effective 1/1/2021 – a 2.5% general wage increase

2020	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Grade 10	26.53	27.39	28.28	29.20	30.15	31.13	32.14
Grade 11	28.38	29.30	30.25	31.24	32.25	33.30	34.38
Grade 12	30.38	31.37	32.39	33.44	34.53	35.65	36.81
Grade 13	32.50	33.56	34.65	35.77	36.94	38.14	39.38
Grade 14	34.77	35.90	37.07	38.27	39.52	40.80	42.13
Grade 15	37.20	38.41	39.66	40.95	42.28	43.65	45.07
Grade 16	39.80	41.09	42.43	43.81	45.23	46.70	48.22
2021	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Grade 10	27.19	28.07	28.99	29.93	30.90	31.91	32.94
Grade 11	29.09	30.04	31.01	32.02	33.06	34.13	35.24
Grade 12	31.14	32.15	33.20	34.28	35.39	36.54	37.73
Grade 13	33.31	34.39	35.51	36.66	37.86	39.09	40.36
Grade 14	35.64	36.80	37.99	39.23	40.50	41.82	43.18
Grade 15	38.13	39.37	40.65	41.97	43.33	44.74	46.20
Grade 16	40.80	42.13	43.50	44.91	46.37	47.88	49.43

Police Officer: Grade 10
 Sergeant/Investigator/SRO: Grade 12
 Chief: Grade 16

An SRO hired on or after January 1, 2020 shall be at Grade 11.

Effective 1/1/2021:

- Sergeants move from Grade 12 to Grade 13.
- Investigator move from Grade 12 to Grade 13.

Employees will move to the Step in Grade 13 that provides a wage increase effective January 1, 2021.

Effective January 1, 2020 or the first day of the first full pay period following ratification, whichever occurs later, Police Officers assigned to FTO shall be paid \$1.00 per hour for all hours the Officer is assigned active FTO duties.

EXHIBIT B POST RETIREMENT POLICY ON UNUSED SICK LEAVE

When an employee leaves employment with the City of Kasson and meets the minimum requirements of this program as outlined below, he/she shall be eligible to participate in a post-employment insurance program provided by the City of Kasson.

A. Employee has completed:

1. Ten (10) to fourteen (14) years of employment with the City of Kasson and;
2. Has between three hundred (300) and four hundred (400) hours of sick leave. Accumulated as of their last day of employment

This employee shall have the first 300 hours accumulated converted on a 2 to 1 formula. The dollar value of accumulated sick leave hours (base 300 hours) will be equal to one-half ($\frac{1}{2}$) of the hours at the time of qualifications multiplied by the employee's hourly rate of pay at the time of qualification.

The hours accumulated in excess of 300, up to 600 hours shall be converted on a 4 to 1 formula. The dollar value of accumulated sick leave hours in excess of the 300 base hours shall be equal to one-fourth ($\frac{1}{4}$) of the hours at the time of qualifications, multiplied by the employee's hourly rate of pay at the time of qualification.

The total dollars available based on the formulas as described above shall be deposited in the insurance program provided by the City for the sole purpose of paying medical related expenses.

B. Employee has completed:

1. Fifteen (15) to nineteen (19) years of employment with the City of Kasson and;
2. Has between four hundred and five hundred hours of sick leave accumulated as of their last day of employment.

This employee shall have the first 450 hours accumulated converted on a 2 to 1 formula. The dollar value of accumulated sick leave hours (based 450 hours) shall be equal to one-half ($\frac{1}{2}$) of the hours of the time of qualifications, multiplied by the employee's hourly rate of pay at the time of qualifications.

The hours accumulated in excess of 450, up to 600 hours shall be calculated on a hour for hour (1-1) formula. The dollar value of accumulated sick leave hours in excess of 450 base hours shall be equal to each hour (1-1) at the time of qualification, multiplied by the employee's hourly rate of pay at the time of qualification.

The total dollars available based on the formula as described above shall be deposited in the insurance program provided by the City for the sole purpose of paying medical related expenses.

C. Employee has completed:

1. Twenty (20) or more years of employment with the City of Kasson, and;
2. Has between five hundred (500) and six hundred (600) hours of sick leave and accumulated as of their last day of employment:

This employee shall have the first 450 hours accumulated converted on a hour for hour (1-1) formula. The dollar value of accumulated sick leave hours (the first 450 hours) shall be equal to the hours multiplied by the employee's hourly rate of pay at the time of qualification.

The hours accumulated in excess of 450, up to 600 hours shall be converted on a two to one (2-1) formula. The dollar value of accumulated sick leave hours in excess of 450 hours shall be equal to one-half ($\frac{1}{2}$) of the hours at the time of qualification, multiplied by the employee's hourly rate of pay at the time of qualification.

The total dollars available based on the formula as described above shall be deposited in the insurance program provided by the City for the sole purpose of paying medical related expenses.

- D. Employees who do not meet the minimum number of accumulated hours in the program: 00 - 400 hours for 10 - 14 years; 400 - 500 hours for 15 - 19 years; 500 - 600 hours for 20 or more years, shall not be eligible to receive any payment for unused sick leave.
- E. All monies earned as a result of this unused sick leave program must be used to pay medical related expenses per the program provided by the City of Kasson. No monies shall be paid directly to the qualified employee.

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF KASSON, MN
AND
MINNESOTA PUBLIC EMPLOYEES ASSOCIATION

This Agreement is entered into between the Minnesota Public Employees Association (Union) and the City of Kasson, MN (Employer);

Whereas, Minnesota Public Employees Association is the exclusive representative for the City of Kasson Police bargaining unit;

Whereas, the parties have negotiated and agreed upon the following terms and conditions of employment for the bargaining unit employees and wish to further specify the agreed terms and conditions of employment as follows:

Military Service: Employees fulfilling an obligation (such as National Guard) to the U.S. Military that requires time away from work for the City of Kasson may elect to use sick leave for 50% of the time required to fulfill the obligation, provided employee has sick leave available.

Shift Differential: Shall be \$1.50 per hour. If a majority of hours (50%+) of an employee's shift is between the hours of 9:00 P.M. and 7:00 A.M., shift differential shall be paid for the entire shift.

K-9 Unit: Effective January 1, 2020 or the first day of the first full pay period following ratification, whichever occurs later, K-9 officers shall be compensated \$122.00 per pay period for active duty K-9 care.

Salary Study: The City of Kasson shall conduct a salary study beginning January 1, 2016 for all classes and grades of positions within the City of Kasson.

LETTER OF UNDERSTANDING
BETWEEN
THE CITY OF KASSON, MN
AND
MINNESOTA PUBLIC EMPLOYEES ASSOCIATION

January 1, 2018

This letter recognizes the current Police Chief of the City of Kasson as included in the bargaining unit certified by the Bureau of Mediation Services, as described by Article 2.1 of the Collective Bargaining Agreement.

The position of Police Chief will be separated from the bargaining unit upon the separation of the current Police Chief.

Kasson Police Calls for Service

	2014	2015	2016	2017	2018	2019	2020
January	274	286	294	322	346	424	397
February	271	247	260	341	310	394	355
March	280	302	273	277	352	446	339
April	325	347	375	364	418	480	255
May	373	367	413	461	502	530	
June	293	339	349	370	395	549	
July	364	408	408	528	454	448	
August	286	372	343	404	466	483	
September	263	352	346	450	461	505	
October	336	309	489	370	380	416	
November	263	284	359	390	348	433	
December	300	331	334	377	437	435	
Yearly Total	3628	3944	4243	4654	4869	5,543	1,346



Dept. Head 4-23-20

Electric Dept.

“The scariest thing about distance is that you don’t know whether they’ll miss you or forget you.” - Nicholas Sparks (The Notebook)

Tree Work – Olsen Tree has removed 8 very large trees from 2nd St SW and ground the stumps. The Electric Dept. is raking the yards the week of 4/20-4/24 (as weather allows) and will seed as necessary. We also took down 10 smaller trees in front of the 400 Building on 2nd St SW. The Park Dept. will grind the stumps during stump grinding. We will assist in restoration and clean up there as well.

Engineering – Steve Cook is still working on a few things for us. Stone Ridge plans are complete and we’re waiting for the go ahead. Prairie Willows is in the same stage. Some other projects he’s working on for us are the main crossing to Baymont Inn and Suites, the Main St. 3 phase extension and a pole relocation or removal on 7th Ave NW.

Miscellaneous - Due to Covid and the uncertainty that it is bringing financially, the Electric Dept is identifying maintenance projects, mapping to be completed and other smaller, less costly projects for the summer should new construction slow down or stop. Still waiting on a large wire order placed prior to Covid and is still needed. Material delivery times are being effected to different degrees due to Covid. Kwik Trip has postponed (until fall 2020 or spring 2021) the demolition of the old building. The accompanying electrical work is also postponed.

Meetings –

4/6/20 Hick’s Electric (old Kwik Trip demo)

4/14/20 Charlie Bradford (Eric and Kyle reviews)

4/15/20 CMPAS Board meeting (online)

Schools and training -

3/11/20-3/13/20 MMUA 1st Line Leadership (Jarrod, class 3 of 4)



To: City Council

Date: 4/23/20

Agenda Heading: Public Works Director Report

- **Public Works – COVID-19 Update.** I meet with staff every Monday morning to update staff while maintaining social distancing. I remind them to continue social distancing, wash hands, use proper ppe when needed, employees are welcome to wear masks if they want, one employee per vehicle, if they are sick to stay home, and to conserve on spending. I have been tracking all Covid-19 related purchases and miles or hours on equipment.
- **Demo of City properties.** Fraser Construction has completed the demo at 85 East Veterans Memorial Highway and 102 15th St NE. The trees have all been removed and stumps ground out. The utility services at both properties have been abandoned and structures removed. There is some site restoration at 85 East Vets that has to be completed yet.
- **Flooding Issues & I & I Planning.** Whks continues to work on the manhole inspections throughout the City. The Sewer Department is locating manholes and will be excavating some of the manholes that are locating in agricultural locations. We had a web meeting for the CCTV Inspection project with Hydro-Clean. Hydro-Clean started televising sewer mains on Monday 4/20/20. DeCook Excavating will be working on the Little's Addition flood restoration project soon.
- **Street/Stormwater.** Steve will complete one time around the City for spring street sweeping on Friday 4/24/20. He has been working with the Park Department trimming and removing trees. Sander has been removed from the contractor truck and wings have been removed from the dump trucks for City Spring Cleanup starting on Monday, May 4th. Mike Ness will be returning to work on Monday, April 27th.

Meetings and Events Attended

April 15 th	16 th St NE Project (Stan Gruska)
April 17 th	CCTV Inspection PreCon – Web
April 22 nd	16 th St NE Project Kick Off
	Stone Ridge Kick Off
April 23 rd	Dept Head



To: City Council

Date: 4/23/20

Agenda Heading: Water/Wastewater Department Report

- **I & I Planning.** WHKS is continuing to complete the manhole inspections. Hydo-Klean is in town doing sanitary main line sewer televising, we will coordinate with WHKS and Hyro-Klean to gain access to certain manholes that are buried.
- **Calibration of flow meters.** Brad White from First System Technology was here in March and will be back in April to calibrate the well house meters as well as the flow meters at the wastewater treatment plant. The flow meters at the wastewater treatment plant are required to be calibrated twice a year
- **Main lift station pump 2 repairs.** Mike Nelson from Nelsons Electric Repair completed the repairs on pump 2, replacing all of the seals and bearings. Mike is trying to schedule us to replace the guild system in the NW lift station.
- **Hydrant Flushing.** Crews will be out flushing fire hydrants starting this week; we are going to take it slow with the hope of not causing many main line leaks or breaks.
- **Awards and Recognitions.** The City of Kasson has received the Certificate of Commendations from the MPCA for the year 2019, this is the second year in row the city has received this award. The SE section of the MWOA (Minnesota Wastewater Operators Association) has awarded Dan Trapp the class A operator of the year and Nate Bless the Wastewater Maintenance operator of the year.
- **Flow Amounts.** The city pumped 14.3 million gallons from wells 4 and 5. The wastewater treatment plant treated 45.3 million gallons, 7.6 million gallons was received from Mantorville.

CITY OF KASSON SCDP (Formerly MIF)

Progress Report

April 1, 2020

No End Date

Residential Rehabilitation

Goal: 6

	Current Months #'s	Last Months #'s
Number of Applications Received	12	11
Number of Applications being Processed	1	1
Full Application Pending Verification	0	0
Apps. Pending Initial Property Inspection	1	0
Applicants Pending Contractor Estimates	0	3
Units in Construction	3	0
Units Completed and Closed	0	0
Applicants Over Income	3	3
Applicants Not Interested/Eligible	4	4
Applicants Located in Target Area "B"	0	0
Applicants Not in Target Area	0	0

	SCDP Funds	Private Funds	Total Funds
Obligated	65,946.00	5,707.00	71,653.00
Estimated	44,000.00	6,000.00	50,000.00
Total	109,946.00	11,707.00	121,653.00
Program Income	0.00	0.00	0.00
Allocation	150,000.00	15,000.00	165,000.00
Balance	40,054.00	3,293.00	43,347.00
Unit Average	36,648.67	3,902.33	40,551.00
Unit Goal	7,500.00	750.00	8,250.00

CITY OF KASSON SCDP

Progress Report

April 1, 2020

September 30, 2022

Residential Rehabilitation

Goal: 20

	Current Months #'s	Last Months #'s
Number of Applications Received	4	3
Number of Applications being Processed	0	0
Full Application Pending Verification	1	1
Apps. Pending Initial Property Inspection	0	0
Applicants Pending Contractor Estimates	0	0
Units in Construction	0	0
Units Completed and Closed	0	0
Applicants Over Income	0	0
Applicants Not Interested/Eligible	2	1
Applicants Located in Target Area "B"	1	1
Applicants Not in Target Area	0	0

	SCDP Funds	Private Funds	Total Funds
Obligated	0.00	0.00	0.00
Estimated	22,500.00	750.00	23,250.00
Total	22,500.00	750.00	23,250.00
Program Income	0.00	0.00	0.00
Allocation	450,000.00	15,000.00	450,000.00
Balance	427,500.00	14,250.00	441,750.00
Unit Average	#DIV/0!	#DIV/0!	#DIV/0!
Unit Goal	22,500.00	750.00	23,250.00

CITY OF KASSON SCDP (Formerly MIF)

Progress Report

March 1, 2020

No End Date

Residential Rehabilitation

Goal: 6

	Current Months #'s	Last Months #'s
Number of Applications Received	11	11
Number of Applications being Processed	1	1
Full Application Pending Verification	0	0
Apps. Pending Initial Property Inspection	0	2
Applicants Pending Contractor Estimates	3	1
Units in Construction	0	0
Units Completed and Closed	0	0
Applicants Over Income	3	3
Applicants Not Interested/Eligible	4	4
Applicants Located in Target Area "B"	0	0
Applicants Not in Target Area	0	0

	SCDP Funds	Private Funds	Total Funds
Obligated	0.00	0.00	0.00
Estimated	66,000.00	9,000.00	75,000.00
Total	66,000.00	9,000.00	75,000.00
Program Income	0.00	0.00	0.00
Allocation	150,000.00	15,000.00	150,000.00
Balance	84,000.00	6,000.00	90,000.00
Unit Average	22,000.00	3,000.00	25,000.00
Unit Goal	7,500.00	750.00	8,250.00

CITY OF KASSON SCDP
 Progress Report
 March 1, 2020
 September 30, 2022

Residential Rehabilitation
Goal: 20

	Current Months #'s	Last Months #'s
Number of Applications Received	3	3
Number of Applications being Processed	0	0
Full Application Pending Verification	1	1
Apps. Pending Initial Property Inspection	0	0
Applicants Pending Contractor Estimates	0	0
Units in Construction	0	0
Units Completed and Closed	0	0
Applicants Over Income	0	0
Applicants Not Interested/Eligible	1	1
Applicants Located in Target Area "B"	1	1
Applicants Not in Target Area	0	0

	SCDP Funds	Private Funds	Total Funds
Obligated	0.00	0.00	0.00
Estimated	22,500.00	750.00	23,250.00
Total	22,500.00	750.00	23,250.00
Program Income	0.00	0.00	0.00
Allocation	450,000.00	15,000.00	465,000.00
Balance	427,500.00	14,250.00	441,750.00
Unit Average	#DIV/0!	#DIV/0!	#DIV/0!
Unit Goal	22,500.00	750.00	23,250.00

April 23, 2020

Finance Director Report

- March financials
- Jan is back.
- 2019 Review- handout
- 2019 Audit- presented 5/13
- After- final 2019 update
- Council meeting discussion- COVID, 2020 FY and 2021 Budget- Resolution
- Hand sanitizer and face masks

Department Head Meeting

April 23, 2020

Items This Month:

1. Hiring new Library Aide – Barbara Thompson has accepted this position at Grade 2, Step 1 (\$15.45/hr), and is scheduled to begin May 4
2. Continued service during library closure:
 - Providing no-contact checkouts of books and DVDs at curbside. People call to request, or request through their online library account
 - All items are disinfected before delivery
 - Providing free online Gale courses for adults to learn/gain new skills
 - Publicizing free online educational resources for children
 - Providing free book and audiobook downloads through Libby/Overdrive on our website
 - Providing “Instant Cards” – people are granted library cards instantly online in order to checkout online digital downloads (also through Libby/Overdrive)
 - Attended 4 webinars related to digital online services and Virtual Summer Reading Programs
 - Providing online book discussion group (for adults/children) as part of the One Book I One Minnesota program on Library’s Facebook page
 - Wireless internet coverage for library has been boosted to cover library parking lot; this assists the public who otherwise might not have access to wi-fi.
3. Summer Reading Program
 - Re-imagining this program in pandemic times
 - We had planned 6 large-crowd “Fun Friday” events 4 weekly storytimes, activity clubs, as well as the large store to claim prizes. Will it be safe in June and July for these events if the pandemic peak is predicted in maybe late June?
 - All large-group events will likely be cancelled. We will decide by May 1.
 - Planning book giveaways in conjunction with school lunches in May
 - Investigated 4 online Summer Reading Programs
 - None seem workable, so we will adapt and offer some activities digitally or virtually, others with social distancing
 - Trying out creative thinking, but it will be a very different summer program
4. Block in sewer line on 4/22/2020. Roto-Rooter is currently fixing it.

Items to Note

1. Trivia Night postponed indefinitely
2. Brian Freeman author visit postponed until Fall 2020

Department Head Meeting

April 23, 2020

Park Department

***Boulevard Tree Planting Program** – Currently working with 20 or so residents that have order trees for this year tree program. Their will roughly be around 35 to 40 trees that will be planted in late May or early June. Next week, I will meet with the homeowners and mark out where the trees will be planted on the boulevards.

***Kasson Arbor Day Event** – After Tuesday night Park Board meeting, we have set the date of May 8th, 2020 for our annual Arbor Day Event. This year we will be planting 2 trees at East Diamond Park. The K-M Lions members along with Park Board members will be planting the trees. The event will start at 10:00 AM.

***Highway 57 Tree Maintenance Trimming** – We started trimming all of the Linden trees that line South Mantorville Ave this week. After we trimmed the 4 trees in front of the new Casey's Store this winter, we finished trimming the remaining 27 trees. Hopefully, these trees will need minimal maintenance in the next 10 years. All winter tree maintenance is complete with the exception of stump removals.

***Aquatic Center Update** – After Tuesday night Park Board meeting, the board made a few recommendations to the city council concerning the status of the opening of the pool this summer. Recommendations on pool family and individual memberships were discussed, along with a date in which we could open the aquatic center this summer. This will all come together once the governor will address the stay-at-home order on May 4th. The Department of Health will have the final say when it will be safe to open all pool facilities.

***Adult Softball Program** – Our adult softball leagues are on hold until we get the information for the State Commissioner to have a summer softball season.

Meeting and Events Attended

April 10 Department Head Meeting – Covid- 19

April 21 Park Board Meeting

April 23 Department Head Meeting



Department Head Meeting 4/23/2020

- All training has been canceled or postponed for the time being.
- Gun permits are up to 11, last year this time 4.
- Calls for service are at 173, last year this time 373, down 46%, of which some of this had to do with less traffic stops.
- For April 1-21st In 2019 we had one Drunkenness call, 2 domestics, and 3 disturbances in that time frame. In 2020, 2 Drunkenness, 4 domestics, and 6 disturbances.
- Still at some point this year we intend to have the bicycle helmet fitting and sale.
- Have one officer in self-quarantine after being exposed on a medical call to a known Covid-19 patient who was having a seizure and coughing all over the place. Our officer had a mask and gloves on, but no gown. As a precaution we gave him a couple days off which gave him a week off to analyze his situation, hopefully he will not become infected.
- Had our portable radios repaired in lieu of purchasing the new budgeted ones for now.

To: Timothy Ibisch

Date: 4/10/20

Agenda Heading: Department Head Meeting 4/10/20 & 4/23/20

- **Dodge County Ice Arena** - After finishing painting and the locker room replacement of benches and coat hangers we have shut the building down and only come in daily to check on refrigeration plant and other mechanical things running in the building. We have raised the temperature of the ice and lowered our thermostat temperatures in locker rooms and office/bathrooms. We continue to keep in contact with our customers to let them know we will resume activities as soon as we get the green light. As we contact these customers we are continually updating our schedules to where there is the possibility of using the facility.
- The ice has now been removed from the facility as of last Friday 4/17. We are working on cleaning up the floor and having some of the concrete repaired by Stone by Stone. He will fill the compromised areas with epoxy filler. We are waiting for the green light to put the ice back in and proceed with our summer activities.

Liquor Store Report April 2020

*Since 3/17 when Executive Order 20-04 was issued we have waited on 7258 people. I am very proud of and grateful for the Liquor store staff that is still willing to work. They did not sign up to be performing hazardous work. It is also very stressful to be chastised for having the Plexiglas shields in place and to be verbally abused for not taking cash.

* Photos of Kasson liquor were in a national publication, Beverage Dynamics, twice. The shirts I had made for the LS employees were featured in the MMBA weekly newsletter.

*April sales are up 25% over last year. Sales are slowing down. I expect that to continue as this drags on and more folks become furloughed and suffer salary reductions.

*A bill to temporarily allow food establishments to sell alcohol with to go food was passed on April 17. This should not have a large impact on our business. Restaurant's markup on liquor will probably not make this very appealing to consumers.

* In May, we will be participating in the annual "Help our local Animals" drive sponsored by Coors Light. MMBA will also be helping pets be adopted by paying the first \$100 towards an adoption fee for the first 30 people who apply.

* I have not extended hours for the summer season. I have not made a decision on if, or when I will do so.

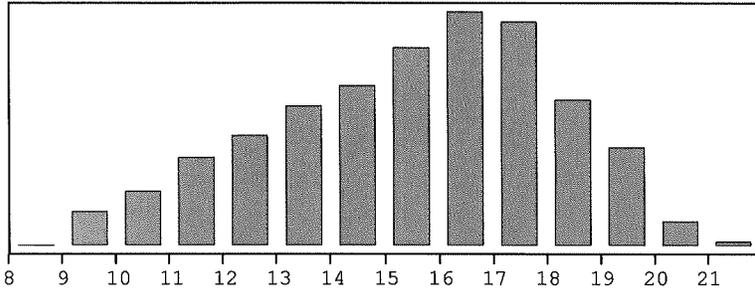
* Many thanks to Mike Bolster for quickly constructing our Plexiglas shields!!!!

* Reports and photos attached....

HOURLY SALES

FROM	TO	CUSTOMER COUNT	TOTAL SALES	AVERAGE SALE
8:00	9:00	1	38.28	38.28
9:00	10:00	162	4967.96	30.67
10:00	11:00	239	8187.31	34.26
11:00	12:00	398	13034.69	32.75
12:00	13:00	510	16424.27	32.20
13:00	14:00	653	20891.14	31.99
14:00	15:00	746	23758.98	31.85
15:00	16:00	945	29408.37	31.12
16:00	17:00	1132	35006.66	30.92
17:00	18:00	1079	33334.59	30.89
18:00	19:00	730	21839.20	29.92
19:00	20:00	516	14621.36	28.34
20:00	21:00	142	3500.10	24.65
21:00	22:00	9	494.82	54.98

HOURLY SALES



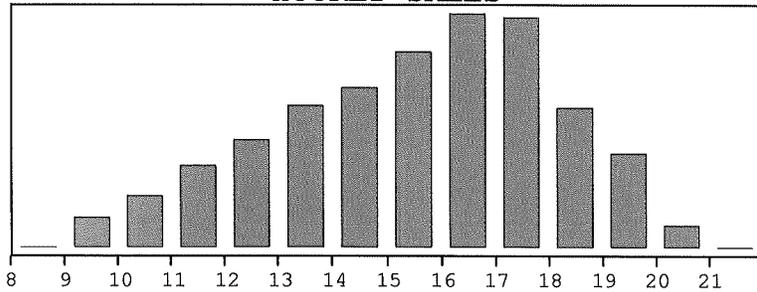
TOTAL SALES	225507.73
TOTAL CUSTOMERS	7262
AVERAGE SALE	31.05

From the first day of Executive Order 20-04. (Temporary closure of bars and restaurants) through this A.M.,

HOURLY SALES

FROM	TO	CUSTOMER COUNT	TOTAL SALES	AVERAGE SALE
8:00	9:00	1	38.28	38.28
9:00	10:00	105	3129.75	29.81
10:00	11:00	165	5521.38	33.46
11:00	12:00	284	8731.62	30.75
12:00	13:00	380	11412.08	30.03
13:00	14:00	480	14885.64	31.01
14:00	15:00	546	16869.63	30.90
15:00	16:00	682	20718.20	30.38
16:00	17:00	832	24779.49	29.78
17:00	18:00	820	24301.82	29.64
18:00	19:00	529	14755.11	27.89
19:00	20:00	375	9897.89	26.39
20:00	21:00	103	2312.32	22.45
21:00	22:00	3	28.56	9.52

HOURLY SALES



TOTAL SALES	157381.77
TOTAL CUSTOMERS	5305
AVERAGE SALE	29.67

*Executive order 20-20
 stay at home 3/25 - 4/23*



Safety precautions at a Minnesota liquor store. | Photo courtesy of Paul Kaspszak, Executive Director at the Minnesota Municipal Beverage Association.

Beverage Dynamics, a national liquor publication included a picture of the plexiglass shields the Mike Bolster made for us in March.



A Minnesota liquor store runs a special

. | *Photo courtesy of the Minnesota Municipal Beverage Association.*

Beverage dynamics, a national liquor publication featured a photo of a sale we are currently running.

Nice Shirt! Nice Message!



I had shirts made for the employees. They were featured in the MMBA weekly newsletter.