

A G E N D A
CITY COUNCIL MEETING
MONDAY, DECEMBER 18, 2023
5:30 P.M.
COUNCIL CHAMBERS

Call to Order.

Pledge of Allegiance.

Roll Call.

- (mot) 1. Adoption of Agenda.
- (mot) 2. Approving minutes from December 4, 2023 and Truth in Taxation hearing on December 6, 2023.
- 3. Recognitions and Awards.
- (mot) 4. *Consent Agenda
Licenses:
2024 License renewals (*complete list in the consent agenda folder*)

Claims:

- a. Pre-list of bills
- b. Credit Card, Investment and Financial Report.

Making the following appointments and reappointments to Boards and Commissions:

- a. Gregg Gaffney to the Cable TV Committee – term expiring 12/31/2026
- b. Paul Spyhalski to the Fire Civil Service Commission – term expiring 12/31/2026
- c. Vickie Spyhalski to the Human Rights Commission – term expiring 12/31/2026
- d. Bridget Halvorson to the Human Rights Commission – term expiring 12/31/2026
- e. Arkaysia Hampton to the Human Rights Commission – term expiring 12/31/2026
- f. Melissa Bonorden to the Library Board – term expiring 12/31/2026
- g. Jwokamer Debok to the Library Board – term expiring 12/31/2026
- h. Edward Hinchcliffe to the Library Board – term expiring 12/31/2026
- i. Nicholas Johnsen to the Park and Recreation Board – term expiring 12/31/2028
- j. Kelsie Ritchie to the Pillars of the City Board – term expiring 12/31/2026
- k. Daphne Wagner to the Pillars of the City Board – term expiring 12/31/2026
- l. Steve Kime to the Pillars of the City Board – term expiring 12/31/2026
- m. Melissa Swenson to the Planning Commission – term expiring 12/31/2027
- n. Brent Gunderson to the Police Civil Service Commission – term expiring 12/31/2026
- o. Lee Bjorndal to the Port Authority – term expiring 12/31/2029
- p. Matthew Talmadge to the Culture and Arts Commission – term expiring 12/31/2026
- q. Geoff Smith to the Culture and Arts Commission – term expiring 12/31/2026
- r. Stephen King to the Part Time Fire Relief Trustees – term expiring 12/31/2024
- s. Tom Dankert to the Part Time Fire Relief Trustees – term expiring 12/31/2024
- t. James McCoy to the Part Time Fire Relief Trustees – term expiring 12/31/2024

PUBLIC HEARINGS:

5. Public hearing on the 5-year Capital Improvement Plan. (*See separate upload for full plan*)
(res) a. Adopting the Capital Improvement Plan.

BID OPENING AND AWARD

6. Receiving bids for EQ digester cover #1 replacement.
(res) a. Awarding bid.
(res) b. Approving an amendment to the waste water treatment plant agreement with Hormel Foods.
(res) c. Approving a consulting services contract with SEH.

PETITIONS AND REQUESTS:

(res) 7. Approving the tax levy for 2024.
(res) 8. Adopting the budget for 2024.
(res) 9. Authorizing the cancellation of certain ad valorem tax levies.
(res) 10. Approving budget adjustment number 5 – public safety aid transfers.
(res) 11. Granting renewals of 2024 licenses for the sale of hard liquor on-sale, Sunday hard liquor on-sale, Sunday wine on-sale and 3.2 beer on and off-sale.
(res) 12. Granting a 2023 Sunday hard liquor on-sale license to Cuatro Copas Bar and Lounge, LLC.
(mot) 13. Designating the Austin Daily Herald as the official newspaper for 2024.
(res) 14. Approving an agreement for transfer of service territory rights between Austin Utilities and Freeborn Mower Electric Cooperative.
(res) 15. Approving change order number two for the Waste Water Treatment Plant project.
(res) 16. Approving an ICM agreement with Lansing Landfill.
(res) 17. Approving an ICM agreement with NuTek Biosciences.
(res) 18. Approving an ICM agreement with G & R Truck Wash.
(res) 19. Approving an ICM agreement with International Paper.
(res) 20. Accepting donations to the City of Austin.
(res) 21. Approving the 2024 seasonal and part time wage resolution.
(mot) 22. Approving an earned safe and sick policy.

- (mot) 23. Approving a revised vehicle use policy and new take home vehicle policy.
- 24. Summary of closed meetings held on December 5, 2023.

CITIZENS ADDRESSING THE COUNCIL

REPORTS AND RECOMMENDATIONS:

City Administrator
City Council

- (mot) **Adjourn to Tuesday, January 2, 2024 at 5:30 pm in the Council Chambers.**

All items listed with an asterisk () are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a council member or citizen so requests in which event the item will be removed from the general order of business and considered in its normal sequence on the agenda.

M I N U T E S
CITY COUNCIL MEETING
December 4, 2023
5:30 PM
Council Chambers

MEMBERS PRESENT: Mayor King. Council Members Paul Fischer, Laura Helle, Jason Baskin, Michael Postma, Geoff Baker and Council Member-at-Large Jeff Austin

MEMBERS ABSENT: Council Member Joyce Poshusta

STAFF PRESENT: City Administrator Craig Clark, Director of Administrative Services Tom Dankert, Police Chief David McKichan, Human Resources Director Trish Wiechmann, Public Works Director Steven Lang, Fire Chief Jim McCoy, Planning and Zoning Administrator Holly Wallace, Assistant City Engineer Mitch Wenum, City Attorney Craig Byram, Library Director Julie Clinefelter, and City Clerk Ann Kasel

APPEARING IN PERSON: Austin Daily Herald

Mayor King called the meeting to order at 5:30 p.m.

Moved by Council Member Baker, seconded by Council Member Fischer, approving the agenda. Carried.

Moved by Council Member Fischer, seconded by Council Member Baskin, approving Council minutes from November 20, 2023. Carried.

CONSENT AGENDA

Moved by Council Member Baker, seconded by Council Member Fischer, approving the consent agenda as follows:

Claims:

- a. Pre-list of bills

Carried.

PETITIONS AND REQUESTS

Director of Administrative Services Tom Dankert requested the Council accept the 2024 Hormel Foundation grant awards. The City was approved for \$590,503 in grants. He thanked the Hormel Foundation for their generosity to the City.

Moved by Council Member Baker, seconded by Council Member-at-Large Austin, adopting a resolution accepting 2024 Hormel Foundation grant awards. Carried 5-0 with Council Member Helle abstaining.

Moved by Council Member Fischer, seconded by Council Member Helle, adopting a resolution establishing license and miscellaneous operational fees for 2024. Carried 6-0.

Police Chief David McKichan requested the Council authorize the purchase of office chairs from the remaining CIP funds originally allocated for computer purchases.

Moved by Council Member Baker, seconded by Council Member Fischer, approving office chair purchases for the Police Department. Carried.

Public Works Director Steven Lang requested the Council approve amendment number 2 for the design services contract on the I-90 bridge replacement project. He stated there were changes by the State that do not impact the City but since the City is a party to the contract, it must approve the changes.

Moved by Council Member Baker, seconded by Council Member-at-Large Austin, adopting a resolution approving amendment number 2 for the design service contract on the I-90 bridge replacement project. Carried 6-0.

City Attorney Craig Byram requested the Council approve a donation of land from Virginia Kehret. The property is in Cresthaven 4th Addition and would be used for a public park or recreational spaces.

Moved by Council Member Baskin, seconded by Council Member Fischer, adopting a resolution accepting a land donation from Virginia Kehret. Carried 6-0.

Public Works Director Steven Lang requested the Council approve a bench rental agreement with United States Bench Corporation for benches placed in the right of way. The contract would be for \$50 a year for 15 benches. This item was originally on the November 20, 2023 meeting and was continued to the December 4, 2023 meeting.

Moved by Council Member Baskin, seconded by Council Member Postma, adopting a resolution approving a bench rental agreement with United States Bench Corporation. Carried 6-0.

Public Works Director Steven Lang requested the Council approve a contract with SEH for design consulting services for the airport fuel system upgrade project. The project would remove the existing fuel tanks and replace them with new above ground tanks, new dispensers and an automated card reader system. The contract with SEH is in the proposed amount of \$82,400 and would include design, bidding, review, project management and coordination.

Moved by Council Member Fischer, seconded by Council Member Helle, adopting a resolution approving a contract with SEH for consulting services on the airport fuel system upgrade project. Carried 6-0.

Assistant City Engineer Mitch Wenum requested the Council approve an amendment to a contract with WHKS for the engineering, planning and design services contract on the Oakland Avenue W and 1st Avenue SW reconstruction project. Mr. Wenum stated Austin Utilities would like to use WHKS for their portion of the project also so the contract needs to be modified to include their work. Austin Utilities would be responsible for all of the additional costs in the amendment.

Moved by Council Member Baker, seconded by Council Member Baskin, adopting a resolution approving an amendment to a contract with WHKS for the Oakland Avenue & 1st Avenue reconstruction projects. Carried 6-0.

Assistant City Engineer Mitch Wenum request the Council call for the feasibility reports for the 2024 construction projects. He noted this is the first step in the assessment process.

Council Member Baker noted there may be some pushback about sidewalks in 2024.

Mr. Wenum stated there will be notices for property owners that will have new sidewalk installation.

Moved by Council Member Baker, seconded by Council Member Postma, adopting a resolution requesting feasibility reports for 2024 street reconstruction projects. Carried 6-0.

Assistant City Engineer Mitch Wenum requested the Council support an additional grant application for the Oakland Avenue project.

Moved by Council Member Baker, seconded by Council Member Fischer, in support of the local road improvement program grant application. Carried 6-0.

Moved by Council Member Fischer, seconded by Council Member Baskin, granting the Planning and Zoning Department the power to contract for the removal of junk and/or illegally stored vehicles at 809 13th Avenue SW, Lopez-Machuca & Acosta Property. Carried.

HONORARY COUNCIL MEMBER COMMENTS

Honorary Council Member An Le thanked the Council for the opportunity to be the honorary council member.

REPORTS

City Administrator Craig Clark stated the Senate capital investment committee came to Austin on November 29th.

Public Works Director Steven Lang noted the Oakland Avenue project is being planned years in advance. He stated a public informational meeting will be held Wednesday, December 13th at the Library for the project. The project options will be presented from feedback from online survey

and first public informational meeting. The item will come back for Council consideration on January 2nd.

Director of Administrative Services Tom Dankert stated the truth in taxation hearing will be held Wednesday, December 6th at 6 p.m.

Council Member Helle stated the new Parks and Recreation Director Jason Sehon will start December 28th. She also stated she visited the Fire Department the previous week.

Council Member Postma thanked the Street and Parks Departments for their work on the seasonal decorations.

Council Member-at-Large Austin thanked the Hormel Foundation for their grants.

Council Member Baskin agreed that the downtown decorations look great. He thanked the Police Department for the recent ride along.

Mayor King stated there will be a holiday mixer for City staff on December 14th from 2:00 – 5:00.

Moved by Council Member Baker, seconded by Council Member-at-Large Austin, adjourning the meeting to December 18, 2023. Carried.

Adjourned: 5:53 p.m.

Approved: December 18, 2023

Mayor: _____

City Recorder: _____

M I N U T E S
2024 BUDGET AND TAX LEVY PUBLIC HEARING
DECEMBER 6, 2023
6:00 P.M.
COUNCIL CHAMBERS

MEMBERS PRESENT: Mayor Steve King. Council Members Paul Fischer, Mike Postma, Geoff Baker, Joyce Poshusta, and Council Member-at-Large Jeff Austin

MEMBERS ABSENT: Council Members Jason Baskin and Laura Helle

STAFF PRESENT: Director of Administrative Services Tom Dankert

OTHERS APPEARING: Austin Daily Herald.

Mayor King called the meeting to order at 6:00 P.M.

Mr. Dankert noted the purpose of the meeting is for discussion of the 2024 property tax levy and the 2024 operating budgets for all city departments. Mr. Dankert noted this budget was created based on the direction of the elected officials.

Administrative Services Director Tom Dankert gave a brief review of the city's overall budget of \$46,002,529 noting the budgeting process takes the greater part of seven months to complete as we started the budgeting process in June this year. Mr. Dankert further noted that for 2024, LGA is 44.76% of the total General Fund budget, so we are heavily dependent upon the State of Minnesota to keep taxes and services at the level they are at. The total LGA Austin is certified to receive in 2024 is \$9,793,547.

The past tax levies were discussed and Mr. Dankert noted that 2024 will have a proposed tax levy increase of 5.66%, for a tax levy of \$8,752,000. In the past, roughly 2-3% of any tax increase has been paid by new homes and new businesses in the community, however the City's Housing Tax Abatement program will reduce that going forward. The 5.66% tax increase will net the City an additional \$469,000 of tax revenue, much of which will cover the additional two police officers that were added during late 2023.

Full-time equivalent (FTE) employees are projected to increase from 2023 to 2024 by 2.0 FTE's (the two new police officers). Approximately 66% of the General Fund budget goes towards team member compensation, and this percentage continues to increase annually indicating the rest of our budget is not keeping up with inflationary pressures.

Mr. Dankert discussed the portion of the tax levy that goes toward street projects, noting the street debt service levy is now gone, as we no longer finance the middle 50% of a street project with debt. Instead, \$1,571,000 is also being used for current street projects that did not involve a debt issuance for 2024. Contingency also sits at \$95,000 (about \$55,000 less than normal) for 2024.

Mr. Dankert also discussed maintaining fund balances in the General Fund at the 42% to 48% level. This helps to maintain our Aa2 credit rating, and allows for us to have some cash flow money for the first six months of the year. Mr. Dankert noted at the end of 2022

we were above that fund balance amount, which gives Council an option to use some of this fund balance in the future for other projects they might want to fund.

Mr. Dankert noted the budgeting process began in early June and is not completed until December. Mr. Dankert noted it is typical for the city to take several months to finalize the budgets, as meetings are held with department heads and the council on several occasions before the final budget is approved. Preliminary budgets and tax levies are required by law to be approved by September 30 of each year. Tax levies cannot be increased after September 30 (with some exceptions), but they may be decreased.

Mr. Dankert discussed the breakdown of the 2024 proposed tax levy. Mr. Dankert noted the tax levy is increasing from \$8,283,000 in 2023 to \$8,752,000 in 2024 if Council approves the proposed amount.

The current breakdown of the citizen's tax dollar is as follows: The City of Austin's tax levy represents about 41% of the tax capacity (41 cents of every local property tax dollar paid comes to the City). Mower County receives 36%, the School District receives 21%, and the Watershed/HRA receives the other 2%.

Mr. Dankert discussed the budgeted expenditures of \$46,002,529 for 2024, noting the Enterprise Fund expenditures of \$11,758,520 are paid for via the users. The revenue sources for the year 2024 budget include the tax levy of \$8,752,000, and state aid of \$11,296,855 (mainly LGA). Mr. Dankert noted other minor line items that balance out the total city budget of \$46,002,529 for the year 2024. Mr. Dankert noted the largest revenue source for the City of Austin is from LGA at \$9,793,547 budgeted for 2024.

Mr. Dankert discussed the tax levy over the last 10 years, noting the increasing amount. Accordingly, the tax valuation of property subject to tax continues to grow at the same level. Our actual tax rate per \$1,000 of valuation is at 53.39 for payable 2024, right in the middle between Winona, Faribault, Owatonna, and Albert Lea.

Mr. Dankert discussed each budgeted fund and the revenue sources and expenditures that make up each. The governmental funds (General, Fire PERA, Library, Recreation Program Funds) budget of \$23,947,795 was discussed by area of expenditure. In the General Fund, our major operating fund, General Administration's budget of \$2,717,165 pays for the City Clerk, Mayor, Council Members, Finance, Elections, City Attorney, and Administrator, among other things (12% of the General Fund budget). The Public Safety budget of \$9,261,830 is primarily for the Police and Fire Departments and Building Inspection and comprises 42% of the General Fund budget. The Highways and Streets Department's budget of \$4,356,853 funds Engineering, Streets, Highway, and Lighting, among other things (20% of the General Fund budget). Park and Rec have a budget, including the Riverside and Packer arenas, of \$3,783,974 for their programs (17% of the General Fund budget). Other budgeted costs of \$1,757,655 are primarily for capital and contingency, plus economic development (mainly the hotel/motel tax remittance and the DCA payment). Mr. Dankert did note undesignated Contingency is at \$95,000 (usually we like this number at \$150,000) as cuts had to be made to fit into Council's budget parameters.

Mr. Dankert briefly discussed the Recreation Programs Fund budget of \$144,793. These funds are generated via the different programs and used to help support each individual group. Mr. Dankert said there is no public tax support for this.

The budget for the Library Fund was discussed. The total budget of \$1,511,260 includes a funding request from the County for just over \$200,000 in 2024. Mr. Dankert noted most of the Library budget is funded by tax payers.

Mr. Dankert discussed the Fire PERA fund. This fund originated from the rebate of the overfunded Fire retirement plan that was originally administered by the City. The Fire PERA funds have planned expenditures in this fund for 2024 of \$35,000 for an SCBA decontamination machine.

The Tax Increment Debt Service Fund Budget of \$433,502 is funded via tax increments paid on the affected properties. Expenditures include payments on existing developer agreements.

The Capital Projects budget is being used to continue to with hazardous building removal, local street projects, sound wall, and some signage and trails funded via grants. The tax levy and grants make up most of the revenue sources associated with these expenditures.

The Enterprise Funds are funded primarily from user fees. The Sewer User Fund has budgeted revenues of \$9,391,712 for the year 2024. Reserves are being used to help fund the ongoing capital improvements to the facility. Mr. Dankert noted Hormel Foods Corporation pays 100% of the industrial charges at the Wastewater Treatment Plant. This is an operational budget, so the proposed multi-million-dollar engineering costs for creating the plans and specs for the new WWTP and the expansion itself are not included here.

The Waste Transfer Station budget of \$54,553 has a primary revenue source from a lease with Waste Management. A recent lease with Waste Management should ensure the longevity of the transfer station for our residents' use. The Waste Transfer Station does not use any tax levy to help fund its operations or capital improvements.

The Storm Water Management District is used to meet funding needs for the federal/state storm water unfunded mandates. User fees added to utility bills pay for the normal operations in 2024 of approximately \$1,402,782.

Mr. Dankert discussed the Port Authority budgets. The Port Authority General Fund uses the \$40,000 of tax levy for development purposes. The Walker Building has income projected, and that income has been put back into the building for improvements, and helped to finance other projects over the years. The Port Authority owns the Hormel Institute Phase II expansion, but all of the costs (except depreciation) are on The Hormel Institute as an entity.

Internal Service Funds have revenue sources from other city departments. Funds are accumulated to pay for health insurance, new vehicles, and computer operations. The Central Garage has a budget of \$2,954,516. This includes both the Street Department and the Park and Rec Department. Included in the budgets are building/equipment additions of \$784,000 for the Street Department and \$330,000 for the Park and Rec Department.

The M.I.S. Department has a budget of \$300,000 for 2024. This fund has revenue sources from the city's departments within the General Fund. The employee in this department is available to all city departments to evaluate individual needs. Also, web site development and upkeep are done internally by this position.

The Fire Equipment Fund is used for purchasing and maintaining fire vehicles. Mr. Dankert noted there is currently \$1,645,000 of equipment (new ladder truck) scheduled for 2024.

The Risk Management Fund accounts for all of our insurance programs. The proposed revenues of \$3,148,461 are used to cover the expenditures. The Risk Management Fund includes Health Insurance, Property/Liability Insurance, Workers Comp. Insurance, and Sick Leave payments that are owed.

Mr. Dankert discussed the resolutions that will need to be passed at the December 18, 2023 city council meeting. The first resolution would certify the tax levy to the County Auditor in the amount of \$8,752,000 if Council desires to levy the proposed amount. The second resolution would certify the adopted budget for the year 2024.

The third resolution would cancel certain tax levies on the Austin Utilities Central Facility bond issue. This levy is not needed as we have alternate sources of revenues to pay off the bond issue.

No additional comments or questions were made by the public, as nobody was there.

With no others speaking, motion by Council Member Postma, seconded by Council Member-at-Large Austin, recommending to Council the tax levy of \$8,752,000 for payable 2024. Carried 5-0. Item will be added to the next council agenda.

Motion by Council Member Fischer, seconded by Council Member Poshusta to recommend to Council the budget of \$46,002,529 for 2024. Carried 5-0. Item will be added to the next council agenda.

Motion by Council Member Baker, seconded by Council Member-at-large Austin, recommending to Council the cancelation of certain ad valorem taxes for 2024. Carried 5-0. Item will be added to the next council agenda.

Mr. Dankert noted these three resolutions will be acted on at the December 18, 2023 city council meeting at 5:30.

Motion by Council Member-at-large Austin, seconded by Council Member Postma, to adjourn the meeting at 6:20 P.M. Carried.

Approved December 18, 2023

Mayor _____

City Recorder _____

City of Austin
500 Fourth Avenue N.E.
Austin, Minnesota 55912-3773



Phone: 507-437-9940
www.ci.austin.mn.us

TO: Mayor and City Council
TD
FROM: Tom Dankert, Director of Administrative Services
DATE: December 18, 2023
RE: 2024-2028 Capital Improvement Plan
<U:\Word\2023\CIP 2024-2028\CIP Cover Memo - Council Meeting.doc>

Attached you will find the Capital Improvement Plan for the years 2024-2028. The plan proposes spending of \$176,567,170 over the next five-year period, but as we have noted, if funding sources are not accessed for a particular project, then the project would need to be put on hold until all of the funding sources are realized.

A big thanks to all of the department heads that participated in the creation of this document. Significant time is spent at the City of Austin planning for the future in many aspects of what staff do for the citizens on a daily basis, and this document should help in identifying the capital needs and the resources to pay for such over the next five years.

If you have any questions, please do not hesitate to give me a call at 437-9959.

RESOLUTION NO.

ADOPTING THE 5-YEAR CAPITAL IMPROVEMENT PLAN (2024-2028)

WHEREAS, during the course of the preparation and review of the 5-Year Capital Improvement Plan 2024-2028 (the CIP), the City Council of the City of Austin, Minnesota (the City) has considered, for each capital improvement and for the CIP overall: the condition of the city's existing infrastructure, including the projected need for repair and replacement; the likely demand for the improvement; the estimated cost of the improvement; the available public resources; the level of overlapping debt in the City; the relative benefits and costs of alternative uses of the funds; operating costs of the proposed improvements; and alternatives for providing services most efficiently through shared facilities with other cities or local government units; and

WHEREAS, the CIP covers at least a five-year period beginning with the date of this adoption; sets forth the estimated schedule, timing, and details of specific capital improvements by year, together with the estimated cost, the need for the improvement, and sources of revenue to pay for the improvement.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUSTIN, MINNESOTA, does ordain that the CIP is hereby adopted.

Passed by a vote of yeas and nays this 18th day of December, 2023.

YEAS

NAYS

ATTEST:

City Recorder

APPROVED:

Mayor

City of Austin
500 Fourth Avenue N.E.
Austin, Minnesota 55912-3773



Steven J. Lang, P.E.
City Engr./Public Works Dir.
507-437-9949
Fax 507-437-7101
slang@ci.austin.mn.us

Memorandum

To: Mayor & Council
From: Steven Lang, PE
Date: December 13, 2023
Subject: Bids – EQ/Digester Cover #1-West Replacement, 23304

The City of Austin received bids for replacement of the cover for the west #1 EQ/Digester on November 16th, 2023. The project will involve removal of the existing damaged cover and replacement with a new metal floating cover and mixers. The bids are summarized below.

	Total Base Bid	Alternate #1
Wapasha Construction Co., Inc.	\$2,764,000	(\$20,000)
The Joseph Company, Inc.	\$3,131,000	No Bid
Market & Johnson	\$3,499,000	No Bid
Engineer's Estimate	\$2,500,000	

Base Bid includes: digester cover gas piping and valves, painting/coating the tank walls (Tnemec), cover hatches, cover level position indicator, gas piping supports, conduits, and draft tube mixers.

Alternate #1: painting/coating tank walls (Sherwin Williams). It has been found that this material use on the cover for east #2 EQ/Digester in 2022 has not performed well and is not recommended for this project.

This project will be funded 100% from the Industrial Plant. We would recommend awarding the Total Base Bid to Wapasha Construction Company, Inc. If you have any questions, please contact me.

Total Project Costs, 21315

Engineering Design	\$ 26,387
Construction Cost	\$2,764,000
Construction Mngt	\$ 120,000
Legal & Admin	\$ 1,000
Total	\$2,911,387



TABULATION OF BIDS

WWTF EQ Primary Digester No. 1 Cover Replacement Austin, Minnesota SEH No.: AUSTN 175032 Bid Date: 1:00 p.m., Thursday, November 16, 2023				Engineer's Estimate \$2,500,000.00		Wapasha Construction Co., Inc. 927 East King Street Winona, MN 55987 \$2,764,000.00		The Joseph Company, Inc. 2003 14th Street NE, Suite 106 Austin, MN 55912 \$3,131,000.00		Market & Johnson 2350 Galloway Street Eau Claire, WI 54702 \$3,499,000.00	
Item No.	Item	Unit	Est. Quantity	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
Lump Sum Bid											
1	Lump Sum (not including following unit price items)	LS	1	\$2,500,000.00	\$2,500,000.00	\$2,727,000.00	\$2,727,000.00	\$3,060,000.00	\$3,060,000.00	\$3,416,200.00	\$3,416,200.00
Unit Price Bid Items											
2	Structural Repair Mortar with units of square footage. Incidental to this work is saw cutting of the perimeter of the repair area.	SF	600			55.00	33,000.00	95.00	57,000.00	75.00	45,000.00
3	Rebar Repair with units of Lineal Foot (length of rebar).	LF	200			20.00	4,000.00	70.00	14,000.00	189.00	37,800.00
Total Bid Price - Unit Price Bid Items						37,000.00			71,000.00		
TOTAL BID PRICE				\$2,500,000.00		\$2,764,000.00			\$3,131,000.00		
\$3,499,000.00											

RESOLUTION NO.

AWARDING BID FOR EQ/DIGESTER COVER #1 WEST REPLACEMENT

WHEREAS, pursuant to an advertisement for bids for the following local improvements:

EQ/Digester Cover #1 West Replacement

Bids were received, opened and tabulated according to law and the following bids were received complying with the advertisement:

	Base Bid	Alternate #1
Wapasha Construction Co., Inc.	\$2,764,000	(\$20,000)
The Joseph Company, Inc.	\$3,131,000	No Bid
Market & Johnson	\$3,499,000	No Bid

AND, WHEREAS, it appears Wapasha Construction Company, Inc. is the lowest responsible bidder.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Austin, Minnesota that the bid of Wapasha Construction Company, Inc. is hereby accepted and the Mayor and City Recorder are hereby authorized and directed to enter into the standard city contract with Wapasha Construction Company, Inc. in the name of the City of Austin for the following:

EQ/Digester Cover #1 West Replacement

Passed by a vote of yeas and nays this 18th day of December, 2023.

YEAS

NAYS

ATTEST:

City Recorder

APPROVED:

Mayor

City of Austin
500 Fourth Avenue N.E.
Austin, Minnesota 55912-3773



Steven J. Lang, P.E.
City Engr./Public Works Dir.
507-437-9949
Fax 507-437-7101
slang@ci.austin.mn.us

Memorandum

To: Mayor & Council
From: Steven J. Lang, P.E.
Date: December 13, 2023
Subject: EQ/Digester Cover #1-West, Replacement Agreement

Attached is an agreement for repayment of project costs related to the replacement of the Industrial EQ/Digester Cover #1-West. The agreement between the City of Austin and Hormel Foods details the project costs and the repayment schedule. Key points of the agreement include:

- It is an amendment to the current 30-year discharge agreement with Hormel, which was adopted in 1995.
- Hormel agrees to pay 100% of the costs arising from the design, planning, engineering, construction, and financing of the EQ/Digester Cover #1-West replacement project.
- Hormel Foods will reimburse the City on a monthly basis as costs are incurred.
- Despite the fact the Hormel Foods is paying the costs of the improvements, ownership of the wastewater treatment system at all times remains with the city.
- Project Costs

○ Capital Cost	\$2,764,000
○ Engineering Design	\$ 26,387
○ Construction Management	\$ 120,000
○ Legal and Administrative	\$ 1,000
Total	\$2,911,387

- Construction is planned for summer of 2024 (some equipment for the project has a 6-month lead time)

We would recommend approval of this wastewater agreement with Hormel Foods. If you have any questions feel free contact me.

**ADDENDUM TO WASTEWATER
TREATMENT AGREEMENT**

This Addendum is made and entered into December 18, 2023, by and between the City of Austin, Minnesota, a municipal corporation (hereinafter referred to as "City"), and Hormel Foods Corporation, a Delaware Corporation (hereinafter referred to as "Hormel Foods").

WHEREAS, the parties hereto previously entered into that certain Wastewater Treatment Agreement dated May 31, 1995, concerning the discharge of wastewater from the Hormel Foods' plant in Austin, Minnesota, into the wastewater treatment facility of the City of Austin, and

WHEREAS, the City contemplates constructing certain improvements to said wastewater facility in order to more effectively and efficiently treat the domestic wastewater discharge of the City and the industrial wastewater discharge of the Hormel Foods plant, and

WHEREAS, the contemplated improvements consist of a project including but not limited to the following:

EQ/Digester #1 Cover Replacement

(hereafter referred to as the "Improvements").

WHEREAS, the City has agreed to construct the Improvements if Hormel Foods agrees to pay the costs arising out of the design, planning, engineering, construction and financing of the Improvements to the City's wastewater treatment facility, according to the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the foregoing and their mutual promises, the parties hereto agree as follows:

1. The City shall cause to be designed, constructed, and installed the afore-described Improvements according to the plans and specifications previously provided to Hormel Foods, which are now on file in the office of the City of Austin.

2. Hormel Foods will pay 100% of the total costs of the Improvements. The costs of the Improvements consist of the following:

A. Engineering services, which include the following:

- (1) Planning, engineering, and design services
- (2) Project consultant's inspection fees
- (3) Project inspection fees from third parties. Hormel Foods is not responsible for paying any City of Austin employee costs.
- (4) Reimbursable expenses charged by project consultant

B. Construction management services, labor, materials, and equipment

3. Hormel Foods will pay to the City the costs of the Improvements as provided in Section 2. Hormel Foods will pay these costs within 30 days of receiving an invoice. The City will invoice Hormel Foods on a monthly basis for the costs incurred by the City in the prior month.

4. The parties specifically understand and agree that Hormel Foods' obligation to pay its share of the Improvement costs is separate and independent of Hormel Foods' use, in whole or in part, of the wastewater treatment system of the City of Austin. Hormel Foods' obligation is binding upon Hormel Foods until the full amount of improvement costs is paid, even if Hormel Foods later abandons, in whole or in part, its use of said wastewater treatment system.

Further, the parties acknowledge that Hormel Foods bears no responsibility for the design and construction of the Improvements. Despite the fact that Hormel Foods is paying the costs of the Improvements, ownership of the wastewater treatment system at all times remains with the City.

Further, the parties acknowledge and agree that Hormel Foods' obligation to pay the Improvement costs to the City of Austin survives any termination of the Wastewater Treatment Agreement dated May 31, 1995, by and between the parties hereto.

5. The parties agree that all change orders must be approved in writing by both parties before any work relating to the change orders is done. If the change orders directly relate to the Improvements, the parties will discuss any potential increase in the costs and if agreed to, Hormel Foods will pay the increased costs of the Improvements as described in the change order.

6. For illustrative purposes, attached hereto as Exhibit A is a schedule of estimated costs of the improvements, showing among other things, the allocation of such costs between the City and Hormel Foods. Actual costs incurred for the Improvements will supersede the estimates on Exhibit A.

7. In all other respects, the parties hereto ratify and confirm the terms and provisions of the Wastewater Treatment Agreement dated May 31, 1995, by and between the parties, along with any and all prior Addendums thereto, except as said Agreement is modified by this Addendum.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the day and year first above written.

CITY OF AUSTIN, MINNESOTA

HORMEL FOODS CORPORATION

By: _____
Its Mayor, Stephen M. King

DocuSigned by:
By: 
3DACA4182E6EA1
Its Plant Manager, Kari Pollak

By: _____
Its City Recorder, Tom
Dankert

12/11/2023
Date: _____, 2023

DocuSigned by:

-EF6E1D16EEE448A...

EXHIBIT A

Project Bid

1) Total Estimated Construction Cost \$ 2,911,387
(Low Bid: \$ 2,764,000)

Estimated Project Cost

1)	Capital Cost	\$ 2,764,000
2)	Engineering Design	\$ 26,387
3)	Construction Management	\$ 120,000
4)	Legal and Administrative	\$ 1,000

RESOLUTION NO.

**AMENDING WASTE WATER TREATMENT PLANT
AGREEMENT WITH HORMEL FOODS**

WHEREAS, the City entered into an agreement with Hormel Foods on May 31, 1995 for the company's discharge at the Waste Water Treatment Plant; and

WHEREAS, the parties would like to amend the agreement for the EQ/Digester #1 Cover Replacement Project; and

WHEREAS, the funding for the project would come from Hormel Foods; and

WHEREAS, City staff recommends entering into the agreement with Hormel Foods.

NOW THEREFORE, BE IT RESOLVED, that the City Council approves the amendment to the Waste Water Treatment Plant agreement with Hormel Foods.

Passed by a vote of yeas and nays this 18th day of December, 2023.

YEAS

NAYS

ATTEST:

APPROVED:

City Recorder

Mayor

City of Austin
500 Fourth Avenue N.E.
Austin, Minnesota 55912-3773



Steven J. Lang, P.E.
City Engr./Public Works Dir.
507-437-9949
Fax 507-437-7101
slang@ci.austin.mn.us

Memorandum

To: Mayor & Council
From: Steven J. Lang, P.E.
Date: December 13, 2023
Subject: WWTP EQ/Digester Cover #1-West Replacement
Construction Services

In 2001, two 1.5-million-gallon Equalization Digesters were built as part of the Industrial Wastewater Treatment Plant. In January 2021, a failure occurred on #2-East covers and after review of the condition it was determined the cover should be replaced. In the Fall of 2022, failures in the weld joints of cover #1-West were discovered, temporary repairs were made and plans for replacement were initiated.

SEH has completed the design and the project has been awarded. To complete the construction management and inspection, SEH has provided a proposal in the amount of \$120,000 to complete the following:

- Coordinate development and completion of all contract documents
- Act as City's liaison with Contractor
- Complete all necessary on-site inspections to ensure Contractor is following the construction documents.
- Act as the City's representative to ensure the project progresses smoothly.
- Facilitate all construction meetings
- Final documentation of any construction changes.

We would recommend approval of a contract with SEH in the amount of \$120,000 for construction services for this project. All costs for this work will be covered with Industrial Plant funds. If you have any questions, feel free to contact me.



Attachment 1

Building a Better World
for All of Us®

November 22, 2023

RE: City of Austin, Minnesota
Industrial EQ Digester No. 1 Cover &
Mixer Replacement Construction Services
SEH No. AUSTN 14.00

Mr. Steven Lang, PE
City Engineer / Director of Public Works
City of Austin
500 4th Avenue NE
Austin, MN 55912

Dear Mr. Lang:

Thank you for the opportunity to submit this proposal for professional services related to construction services for the industrial digester cover. This letter serves as our understanding of the project scope, schedule and fee.

PROJECT BACKGROUND

In 2022, the City replaced the floating cover on Industrial EQ Digester No. 2 due to damage. During the construction of that cover, leaks were discovered in the cover on Industrial EQ Digester No. 1. The City and Hormel have decided to replace the cover and the draft tube mixers in EQ Digester No. 1.

As part of the design services, SEH prepared bidding documents and the bids opened on November 16, 2023.

As the cover replacement moves into construction phase, SEH proposes to assist the City with the following scope of work.

SCOPE OF SERVICES

SEH proposes the following work scope for the digester cover replacement construction services.

Task 1: Project Management

- Establish and maintain effective communications with City, design staff, and Contractor.
- Coordinate work of team members.
- Review deliverables prior to submittal to the City.
- Coordinate construction meetings with the City.
- Prepare conformed contract documents for use by City, staff, Contractor, and SEH during the construction phase.
- Provide two (2) hard copies of the conformed contract documents (11x17 drawings) to the City and one (1) hard copy of the 24x36 conformed drawings to the City.

Task 2: Construction Services

- Begin contract administration, act as City's Liaison with Contractor.

Engineers | Architects | Planners | Scientists

Short Elliott Hendrickson Inc., 10400 Yellow Circle Drive, Suite 500, Minnetonka, MN 55343-9229

952.912.2600 | 800.734.6757 | 888.908.8166 fax | sehinc.com

SEH is 100% employee-owned | Affirmative Action—Equal Opportunity Employer

- Answer Contractor questions in the interpretation of contract documents.
- Hold one pre-construction conference with the Contractor and City Staff.
- Review shop drawings. Engineer will review shop drawings, samples and other submissions of the Contractor solely for their general compatibility with the Engineer's design intent and the conformance with information given in the Contract Documents. Assumes a maximum of two (2) reviews per shop drawing.
- Review and recommend approval of Contractor's partial payment requests. Assumes a maximum of two (2) reviews per partial payment request.
- Prepare agenda for distribution to attendees and attend eight (8) monthly progress meetings with Contractor and City Staff during construction. Meetings to be held more frequently during critical periods and about monthly basis otherwise. Prepare meeting notes and distribute to attendees after the meeting. Assumes meetings are 90 minutes or less.
- Attend twenty (20) weekly summary progress meetings with Contractor and City Staff on weeks without a monthly progress meeting. Assumes meetings are 45 minutes or less.
- Prepare and issue field orders and change orders as necessary. Review Contractor pricing on change orders and when acceptable, recommend payment. Assumes a maximum of two (2) reviews per field order or change order.
- Request and obtain final Operation and Maintenance manuals for Contractor provided equipment. Assumes a maximum of two (2) reviews per Operation and Maintenance manual.
- Request and obtain final copies of as-built drawings and sketches from Contractor.
- Prepare construction punch lists to expedite project completion. Assumes a maximum of two (2) additional site visits to perform a preliminary and final punch list review with City and Contractor.
- Provide notification to City and Contractor of potential liquidated damages.
- Recommend final payment to Contractor upon project completion.
- Notify Contractor of final payment and commencement of warranty period.
- Prepare and furnish the City one electronic copy of the "Record Plans" of the construction Project showing those changes the Engineer considers significant that were made during the construction process, based on marked-up prints, drawings, and other data furnished by the Contractor, upon which the Engineer may rely in preparing the Record Plans.

Task 3: Construction Observation

- Make visits to the site at intervals appropriate to the various stages of construction for observation.
- Provide up to 94.5 hours of Resident Project Representative (RPR) time. This estimate is based on the contract dates, allowing 300 days to Substantial Completion and 330 days to Final Completion. Additional hours will be considered additional services. The RPR will review schedules, attend meetings with the Contractor, conduct on-site observations of work in progress, verify that quality control tests are conducted, keep a log book of construction activities and weather, review pay applications noting the work completed, and conduct final inspections prior to completion of the project. The RPR will act as a liaison between the City and the Contractor for construction related issues. Time observing this work is estimated to be 1.25 hours per week (0.25 hours/day) during the time when the Contractor is assembling the new cover (8 weeks), 7.5 hours per week (1.5 hours/day) when the Contractor is removing the existing cover, recoating the concrete, installing the new cover, and testing (11 weeks), and two additional hours for punch list/closeout. This staffing estimate does not include travel time and assumes that SEH's onsite staff will provide observation when present for the EPRP construction.
- Coordinate construction activities with City staff.
- Review and advise City staff on Contractor submitted construction progress schedule. Respond to Contractor on appropriateness of the submitted construction progress schedule as it relates to the specified schedule.
- Maintain field records during on-site observation.
- Photograph project progress.
- Assist City with coordination of material compliance testing work.

- Endeavour to observe that record plans are maintained by all contracting forces.

Task 4: Special Inspections

- Coordinate and perform special inspections as may be required by the City's Building Official and the International Building Code.
- Review Contractor required special inspections including, but not limited to, welding inspection.
- Prepare special inspection reports during construction for Engineer observed testing including, but not limited to, process pipe pressure testing, surface preparation for coating systems, coating systems, and structural leak testing prior to submittal to City.
- Provide up to 34 hours of Coatings Special Inspection time with 4 site visits and expenses during construction activity for Concrete Wall Coating Inspection of the Industrial Digester. Additional hours will be considered additional services. The Coatings Special Inspector will inspect prepared concrete surfaces, application of primer and substrate filler, topcoat inspection, and provide pre-construction video meeting and shop drawing review.
- Provide up to 57 hours of Coatings Special Inspection time with 7 site visits and expenses during construction activity for Interior and Exterior Steel Cover Coating Inspection of the Industrial Digester Cover. Additional hours will be considered additional services. The Coatings Special Inspector will inspect prepared steel surfaces, application of primer, topcoat inspection, and provide pre-construction video meeting and shop drawing review.
- Prepare reports as may be required by the City's Building Official.

ADDITIONAL SERVICES

SEH may furnish Additional Services due to changes in the scope of services or as requested by the City. SEH will provide an estimated fee for Additional Services as requested, but will not initiate additional services until agreed upon and authorized by the City. Additional Services are not included in this work or scope agreement. Examples of Additional Services may include the following:

- Additional services due to significant changes in the general scope of the Project resulting from the City's direction.
- Additional services in connection with the Project not otherwise provided for in this Agreement.
- Additional services due to construction activities extending beyond the estimated 330 days.
- Additional services related to the Resident Project Representative beyond the hours identified in the scope of work.
- Providing professional services made necessary by the default of the Contractor or major defects in the Work.

CITY RESPONSIBILITY

The City shall:

- Provide full information as to its requirement for the Project.
- Assist SEH by placing all available information pertinent to the Project at SEH's disposal.
- Give prompt notice to SEH whenever the Owner observes or otherwise becomes aware of any changes in the project or wishes to make changes in the project.
- Give thorough consideration to all sketches, estimates, drawings, specifications, proposals, and any other documents presented by SEH and inform SEH of all decisions with a reasonable amount of time so as not to delay SEH.
- Participate in construction meetings on a regular basis as proposed in construction documents.
- Act promptly to review and approve or reject all proposed Change Orders.
- Provide such fiscal, legal, accounting, and insurance counseling services as may be required for the Project.

SCHEDULE AND COST

SEH is prepared to complete this scope of work and is prepared to begin these efforts upon receipt of your written authorization. Below is a possible schedule for this work.

TASK	TIMING
Bid Opening	November 16, 2023
Notice to Proceed	December 8, 2023
Complete Shop Drawing Review for Materials	January 12, 2024
Manufacturer Fabrication ¹	January 12 - May 18, 2024
Cover Assembly	May 18 – July 10, 2024
Earliest Shutdown for EQ/Primary Anaerobic Digester No. 2	July 5, 2024
Startup of Cover and Accessories ²	September 12, 2024
Substantial Completion of Cover and Accessories	October 4, 2024
Final Completion	November 3, 2024

Notes:

1 Date provides 16 weeks for material fabrication and delivery.

2 Date provides maximum allowable 90-day shutdown for EQ/Primary Anaerobic Digester No. 1.

Based on the scope of services described above, SEH proposes to complete the work for a fee of \$96,500. The fee is an estimate; however, it will not be exceeded without prior review and consent from the City. This fee is broken down as follows:

TASK	2023 TOTAL	2021 TOTAL (for comparison)
Task 1: Project Management	\$18,200	\$15,200
Task 2: Construction Services	\$45,500	\$40,000
Task 3: Construction Observation	\$16,800	\$50,000
Task 4: Special inspections	\$16,000	\$14,800
TOTAL	\$96,500	\$120,000

SUMMARY

SEH appreciates the opportunity to serve the City of Austin, and its domestic, commercial and industrial users. Please contact me should you have any questions or requests for additional information.

Sincerely,

SHORT ELLIOTT HENDRICKSON INC.


Susan Danzl
Project Manager

dmk

c: Bob Cohrs – SEH

RESOLUTION NO.

**APPROVING ENGINEERING CONSULTING SERVICES
FOR EQ/DIGESTER COVER CONSTRUCTION SERVICES**

WHEREAS, in 2001, two 1.5-million-gallon equalization digesters were constructed as part of the Industrial Waste Water Treatment Plant; and

WHEREAS, a failure occurred on one of the covers and it is in need of replacement; and

WHEREAS, the City has received a proposal from Short Elliot Hendrickson, Inc. (SEH) in the amount of \$120,000 construction services for the project; and

WHEREAS, the funding for the project would come from the industrial plant budget.

NOW THEREFORE, BE IT RESOLVED, that the City Council approves the contract in the amount of \$120,000 from Short Elliot Hendrickson, Inc. (SEH) for construction services for the EQ/Digester cover replacement project at the Waste Water Treatment Plant.

Passed by a vote of yeas and nays this 18th day of December, 2023.

YEAS

NAYS

ATTEST:

APPROVED:

City Recorder

Mayor

ITEM NO.

RESOLUTION NO.

APPROVING TAX LEVY FOR THE YEAR 2024

BE IT RESOLVED, by the Common Council of the City of Austin that there is hereby levied upon all taxable property in the City of Austin a direct ad valorem tax in the year 2023, payable in 2024, for the following purposes and in the following amounts:

<u>PURPOSE</u>	
GENERAL	\$5,943,240
LIBRARY	1,197,760
PORT AUTHORITY	40,000
CAPITAL IMPROVEMENTS	<u>1,571,000</u>
	<u>\$8,752,000</u>

A certified copy of this resolution shall be transmitted to the County Auditor.

Passed by a vote of Yeas and Nays this 18th day of December, 2023.

YEAS

NAYS

ATTEST:

APPROVED:

City Recorder

Mayor

RESOLUTION NO.
ADOPTING A BUDGET FOR THE YEAR 2024

BE IT RESOLVED, by the Common Council of the City of Austin that the budget for the year 2024 is hereby approved and adopted with appropriations for each of the purposes to be as follows:

General Government Services	
General Administration	\$ 2,717,165
Public Safety	9,261,830
Highways and Streets	4,356,853
Park and Recreation	3,783,974
Business Development	379,265
Other General	1,378,390
Recreation Programs	144,793
Library	1,511,260
Fire PERA Refund	35,000
Capital Projects Funds	<u>2,061,000</u>
 Total General Government Services	<u>25,629,530</u>
 Tax Increment Revenue Pool	<u>433,502</u>
 Enterprise Funds	
Sewer User	9,391,712
Waste Transfer Station	54,553
Storm Water Management Dist.	1,402,782
Port Authority Operations	<u>909,473</u>
 Total Enterprise Funds	<u>11,758,520</u>
 Internal Service Funds	
Equipment Garage	2,954,516
Management Information System	300,000
Fire Equipment Services	1,778,000
Risk Management	<u>3,148,461</u>
 Total Internal Service Funds	<u>8,180,977</u>
 Total Budgets	<u>\$46,002,529</u>

SECTION 2. The estimated gross revenues of the City of Austin for all sources, including ad valorem tax levies as hereinafter set forth for the year 2023, as the same are more fully detailed in the official copy of the 2024 budget, are hereby found and determined as follows:

Revenues and Sources for all Funds:

Current Local Property Taxes	\$ 8,752,000
Intergovernmental Revenues	11,296,855
Charges for Services	631,519
Licenses and Permits	682,205
Miscellaneous	3,252,751
Other taxes	854,000
Fines and Forfeits	<u>160,200</u>
Total for General Government Funds	25,629,530
 Tax Increment Funds	433,502
Port Authority Funds	909,473
Enterprise Funds	10,849,047
Internal Service Funds	8,180,977
Total Budgets	<u>\$46,002,529</u>

Provisions have also been made in General Fund revenues for receipt of State Local Government Aid.

SECTION 3. A certified copy of this resolution shall be transmitted to the County Auditor.

Passed by a vote of Yeas and Nays this 18th day of December, 2023.

YEAS

NAYS

ATTEST:

APPROVED:

City Recorder

Mayor

RESOLUTION NO.

**RESOLUTION AUTHORIZING CANCELLATION OF
CERTAIN AD VALOREM TAX LEVIES**

WHEREAS, certain resolutions of the City Council of Austin and Austin Port Authority provide for Ad Valorem Tax Levies to be made for the retirement of principal and interest on bond issues; and

WHEREAS, it appears desirable to cancel or to reduce such Ad Valorem Tax Levies to be levied in 2023 because there is sufficient fund balance available in these debt service funds to pay all or some of the principal and interest on these bonds due in 2024.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of Austin, Minnesota that tax levies authorized to be made in 2023, collectible in 2024, are hereby canceled by the amounts indicated below:

<u>Resolution #</u>	<u>Issue</u>	<u>Cancellation Amount</u>
14976	G.O. Capital Improvement Bonds of 2015A	\$1,284,479

BE IT FURTHER RESOLVED, that a certified copy of this resolution shall be promptly given to the Mower County Auditor.

Passed by a vote of Yeas and Nays this 18th day of December, 2023.

YEAS

NAYS

ATTEST:

APPROVED:

City Recorder

Mayor

City of Austin
 500 Fourth Avenue N.E.
 Austin, Minnesota 55912-3773



Thomas Dankert
 Director of
 Administrative Services
 507-437-9959
 Fax 507-433-1693
 tdankert@ci.austin.mn.us

TO: Mayor King and Council Members

FROM: Tom Dankert *TMO*

DATE: December 4, 2023

RE: **Budget Adjustment #5 – 2023 Budget Adjustment**
 U:\Word\2023\Miscellaneous\2023 Budget Adjustment #5.doc

During the last legislative session, \$210 million was earmarked as Public Safety Aid to be doled out to government agencies. The City is expected to receive \$1,159,298 near the end of December. These funds can only be spent on items related to public safety. The City has budgeted for some of these funds to be used in 2024 for the purchase of new squad car cameras (\$104,300). We are proposing the remaining balance of \$1,054,998 be deposited into the Fire Fleet Fund to help pay for the new \$1.6 million fire truck to be paid for in 2024.

If Council is acceptable to this proposal, we would then propose to transfer \$725,000 out of the Fire Fleet Fund into the CIP Revolving Fund. These funds would then be reviewed in 2024 by Council for expenditure (typically capital type items). Please remember that in 2021 we transferred \$1.5 million of fund balance into the Fire Fleet Fund for the new fire truck, but since we now have Public Safety Aid, we would propose to use some of the original transfer for other Council approved projects.

CIP Revolving Fund (49000):

	<u>Debit</u>	<u>Credit</u>
49000.1010.01 Cash	\$ 725,000	
49011.7775 Transfer from Other Funds		\$ 725,000
Total CIP Revolving Fund	\$ 725,000	\$ 725,000

Fire Fleet Fund (73000):

	<u>Debit</u>	<u>Credit</u>
42207.7749 Transfers to CIP Revolving	\$ 725,000	
73000.1010.01 Cash		\$ 725,000
Total Fire Fleet Fund	\$ 725,000	\$ 725,000

By passing a Resolution, council will have then officially amended the budget for the 2023 year that would allow for the above transfers.

In early 2024 we will propose some other changes to make planning for the Fire Department a little easier and straight forward:

1. Rename the Fire Fleet Fund to the Fire Equipment Fund (73000).
2. Close the Fire PERA Fund (29000) into the Fire Fleet Fund (73000) and transferring the cash balance.
3. Amend the budget to then pay for the 2024 budgeted SCBA decontaminate machine out of Fire Equipment Fund (73000).
4. Budget for the replacement of the SCBA's as part of our monthly user charge, as replacing the SCBA's every 15 years could cost in the range of \$500,000. This way we will be annually budgeting for such equipment. Please note, this fund will now basically only be used to buy fire trucks and SCBA's, and not other specialized fire equipment.

These changes won't be proposed until early 2024, but we wanted to make sure you were aware of our long-term plan.

Please do not hesitate to give me a call if you have any questions.

RESOLUTION NO. XXXXX

BUDGET ADJUSTMENT #5

**A REOLUTION APPROVING THE ALLOCATION OF PUBLIC SAFTEY AID
BETWEEN THE GENERAL FUND (11000) AND THE FIRE FLEET FUND (73000) AND
THE TRANSFER OF FUNDS FROM FIRE FLEET FUND (73000) TO THE CIP
REVOLVING FUND (49000)**

WHEREAS, The City of Austin is scheduled to receive \$1,159,298 of Public Safety Aid as appropriated by the State of Minnesota during the 2023 legislative session; and

WHEREAS, The City of Austin has budgeted to use \$104,300 of this Public Safety Aid in 2024 for the purchase of police squad car cameras; and

WHEREAS, the City of Austin is desires to deposit the remaining funds into the Fire Fleet Fund (73000) for the purchase of the new fire truck; and

WHEREAS, in 2021 the City internally transferred excess fund balance into the Fire Fleet Fund (73000) for the purchase of the new fire truck; and

WHEREAS, some of those funds could now be used for other City Council priorities.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
AUSTIN, MINNESOTA AS FOLLOWS:**

1. The City shall deposit \$104,300 in the General Fund (11000) for new squad car cameras and the remaining balance into the Fire Fleet Fund (73000) for the purchase of the new fire truck.
2. The City shall transfer \$725,000 from the Fire Fleet Fund (73000) to the CIP Revolving Fund (49000) for future council action as to the expenditure.

Adopted by a vote of yeas and nays by the City Council of Austin, Minnesota this 18th day of December, 2023.

YEAS

NAYS

Attested:

City Recorder

Mayor

CITY/TOWN NAME	Certified 2023 Public Safety Aid
TOTALS	\$210,000,000
ADA	\$75,224
ADAMS	\$30,151
ADRIAN	\$52,162
AFTON	\$129,793
AITKIN	\$96,098
AKELEY	\$18,204
ALBANY	\$122,616
ALBERT LEA	\$800,857
ALBERTA	\$4,026
ALBERTVILLE	\$349,995
ALDEN	\$25,162
ALDRICH	\$1,532
ALEXANDRIA	\$642,839
ALPHA	\$4,420
ALTURA	\$20,436
ALVARADO	\$16,979
AMBOY	\$23,280
ANDOVER	\$1,431,312
ANNANDALE	\$148,216
ANOKA	\$789,480
APPLE VALLEY	\$2,464,493
APPLETON	\$61,746
ARCO	\$3,763
ARDEN HILLS	\$433,096
ARGYLE	\$23,937
ARLINGTON	\$99,773
ASHBY	\$20,611
ASKOV	\$14,572
ATWATER	\$48,968
AUDUBON	\$24,243
AURORA	\$73,867
AUSTIN	\$1,159,298
AVOCA	\$4,814
AVON	\$72,073
BABBITT	\$60,564
BACKUS	\$11,728
BADGER	\$18,598

RESOLUTION NO.

GRANTING LICENSES FOR SALE OF ON-SALE HARD LIQUOR,
SUNDAY HARD LIQUOR ON-SALE, SUNDAY WINE ON-SALE LICENSES, BREWER
TAPROOM WITH SUNDAY
AND 3.2 BEER ON AND OFF-SALE

WHEREAS, the persons hereinafter named have applied to the City Council at Austin, Minnesota, for licenses to sell Hard Liquor On-Sale, at the respective addresses herein mentioned at Austin, Minnesota; and

WHEREAS, after due investigation it appears said applicants for said licenses for sale of Hard Liquor On-Sale have complied with all the provisions of the law relative thereto and are entitled to have licenses issued to each of them for the above described purposes at the hereinafter named addresses.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Austin does hereby grant licenses for the sale of Hard Liquor On-Sale to the following licensees at the following locations in Austin, Minnesota, which licenses shall commence January 1, 2024, and expire December 31, 2024:

F and F Investments of Austin, LLC	dba B & J Bar & Grill 114 4th Avenue NE and patio to east
Bobee Jo's, Inc.	dba Bobee Jo's 435 10th Street NE
Dusty's Bar & Lounge, LLC	dba Dusty's Bar & Lounge 422 North Main Street
Hoot & Ole's, LLC	dba Hoot & Ole's 105 11th Street SE
Apple Minnesota LLC	dba Applebee's Neighborhood Grill & Bar 1404 18th Avenue NW
Bicabut, Inc.	dba Bakery II Lounge/The Downtown Grill 113 2nd Avenue NE and patio to east
The Old Mill, Inc	dba The Old Mill 3504 11th Place NE and backyard patio to east and south
Austins LLC	dba Barley's 1207 North Main St
Bella Victoria Italian Cuisine, LLC	dba Bella Victoria Italian 1801 14 th Street NW, Suite 1
Hy-Vee, Inc.	dba Wahlburgers 1307 18th Avenue NW, Suite A
El Mariachi, Inc.	dba El Mariachi Mexican Rest. 227 North Main Street
ATI Hotel LLC	dba Holiday Inn, Austin 1701 4th Street NW

El Patron Mexican Grill of Austin, LLC	dba El Patron Mexican Grill 1906 8th Street NW, Suite F
Austin Bruins, LLC	dba Austin Bruins 501 2nd Ave NE - Riverside Arena
Austin Hotel Group, LLC	dba Cobblestone Hotel & Suites 1000 16 th Avenue NW
Cuatro Copas Bar & Lounge, LLC	dba Cuatro Copas Bar & Lounge 324 N. Main Street
El Parral Ballroom, Inc.	dba El Parral Ballroom 210 4 th Street NE
Windrift Sports Bar & Grill, LLC	dba Windrift Sports Bar & Grill 2511 11 th Street NE

AND, WHEREAS, persons hereinafter named have applied to the City Council for licenses to sell Sunday Hard Liquor On-Sale at the respective places hereinafter mentioned; and

WHEREAS, after due investigation it appears said applicants for said licenses for sale of Sunday Hard Liquor On-Sale have complied with all the provisions of the law relative thereto and are entitled to have a license issued to each of them for the above described purposes at the hereinafter named addresses.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of Austin does hereby grant licenses for the sale of Sunday Hard Liquor On-Sale to the following named licensees at the following locations in Austin, Minnesota, which licenses shall commence January 1, 2024, and expire December 31, 2024:

Dusty's Bar & Lounge, LLC	dba Dusty's Bar & Lounge 422 North Main Street
Bobee Jo's, Inc.	dba Bobee Jo's 435 10th Street NE
VFW 1216	dba VFW Club 300 4th Avenue NE & parking lot
FOE Aerie Eagles	dba Austin Eagles Clug 107 11th Street NE & patio on north
American Legion Post 91	809 12th Street SW & parking lot east of building
Apple Minnesota LLC	dba Applebee's Neighborhood Grill & Bar 1404 18th Avenue NW
ATI Hotel LLC	dba Holiday Inn, Austin 1701 4th Street NW
Austin Country Club, Inc.	dba Austin Country Club 1202 28th Street NE / Box 474
Bicabut, Inc.	dba Bakery II Lounge/the Downtown Grill 113 2nd Avenue NE and patio to east

Hy-Vee, Inc.	dba Wahlburgers 1307 18th Avenue NW, Suite A
Hoot & Ole's, LLC	dba Hoot & Ole's 105 11th Street SE
F and F Investments of Austin, LLC	dba B & J Bar & Grill 114 4th Avenue NE and patio to east
El Mariachi, Inc.	dba El Mariachi Mexican Rest. 227 North Main Street
The Old Mill, Inc	dba The Old Mill 3504 11th Place NE and backyard patio to east and south
El Patron Mexican Grill of Austin, LLC	dba El Patron Mexican Grill 1906 8th Street NW, Suite F
Hormel Historic Home, Inc.	dba Hormel Historic Home 208 4th Avenue NW & outdoor fenced patio and garden area
Austins LLC	dba Barley's 1207 North Main St
Austin Hotel Group, LLC	dba Cobblestone Hotel & Suites 1000 16 th Avenue NW
Bella Victoria Italian Cuisine, LLC	dba Bella Victoria Italian 1801 14 th Street NW, Suite 1
Cuatro Copas Bar & Lounge, LLC	dba Cuatro Copas Bar & Lounge 324 N. Main Street
Windrift Sports Bar & Grill, LLC	dba Windrift Sports Bar & Grill 2511 11 th Street NE

AND, WHEREAS, persons hereinafter named have applied to the City Council for licenses to sell Sunday Wine On-Sale at the respective places hereinafter mentioned; and

WHEREAS, after due investigation it appears said applicants for said licenses for sale of Sunday Wine On-Sale have complied with all the provisions of the law relative thereto and are entitled to have a license issued to each of them for the above described purposes at the hereinafter named addresses.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Austin does hereby grant licenses for the sale of Sunday Wine On-Sale to the following named licensees at the following locations in Austin, Minnesota, which licenses shall commence January 1, 2024, and expire December 31, 2024:

Tienda Y Taqueria Guerrero, Inc.	dba Tienda Y Taqueria Guerrero 301-D 4th Avenue NE
Steve's Pizza LLC	dba Steve's Pizza 421 North Main Street
George's Pizza LLC	dba George's Pizza 209 North Main Street

Everbright, Inc.

dba China Star
1908 8th Street NW, Suite G

WHEREAS, the persons hereinafter named have applied to the City Council at Austin, Minnesota, for licenses to sell Brewer Taproom with Sunday, at the respective addresses herein mentioned at Austin, Minnesota; and

WHEREAS, after due investigation it appears said applicants for said licenses for sale of Hard Liquor On-Sale have complied with all the provisions of the law relative thereto and are entitled to have licenses issued to each of them for the above described purposes at the hereinafter named addresses.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Austin does hereby grant licenses for the sale of Brewer Taproom with Sunday to the following licensees at the following locations in Austin, Minnesota, which licenses shall commence January 1, 2024, and expire December 31, 2024:

K & J Holdings, LLC

dba Angry Hog Brewery & Taproom
500 23rd Avenue NW and fenced patio and deck area

Gravity Storm Brewery Cooperative

dba Gravity Storm Brewery Cooperative
309 North Main Street

AND, WHEREAS, persons hereinafter named have applied to the City Council for licenses to sell 3.2 Beer On-Sale at the respective places hereinafter mentioned; and

WHEREAS, after due investigation it appears said applicants for said licenses for sale of 3.2 Beer On-Sale have complied with all the provisions of the law relative thereto and are entitled to have a license issued to each of them for the above described purposes at the hereinafter named addresses.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the City Council of the City of Austin does hereby grant licenses for the sale of 3.2 Beer On-Sale to the following named licensees at the following locations in Austin, Minnesota, which licenses shall commence January 1, 2024, and expire December 31, 2024:

Piggy Blue's Bar-B-Que, Inc

dba Piggy Blue's Bar-B-Que
323 North Main Street

Tienda y Taqueria Guerrero, Inc.

dba Tienda y Taqueria Guerrero
301-D 4th Avenue NE

George's Pizza LLC

dba George's Pizza
209 North Main Street

Steve's Pizza LLC

dba Steve's Pizza
421 North Main Street

Everbright, Inc.

dba China Star
1908 8th Street NW, Suite G

AND, WHEREAS, persons hereinafter named have applied to the City Council for licenses to sell 3.2 Beer Off-Sale at the respective places hereinafter mentioned; and

WHEREAS, after due investigation it appears said applicants for said licenses for sale of 3.2 Beer Off-Sale have complied with all the provisions of the law relative thereto and are entitled to have a license issued to each of them for the above described purposes at the hereinafter named addresses.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Austin does hereby grant licenses for the sale of 3.2 Beer Off-Sale to the following named licensees at the following locations in Austin, Minnesota, which licenses shall commence January 1, 2024, and expire December 31, 2024:

Austin Country Club, Inc.	dba Austin Country Club 1202 28th Street NE
Hoot & Ole's, LLC	dba Hoot & Ole's 105 11th Street SE
Bobee Jo's, Inc.	dba Bobee Jo's 435 10th Street NE
Tienda y Taqueria Guerrero, Inc.	dba Tienda y Taqueria Guerrero 301-D 4th Avenue NE
ATI Hotel LLC	dba Holiday Inn, Austin 1701 4th Street NW
VFW 1216	dba VFW Club 300 4th Avenue NE

Passed by a vote of yeas and mays this 18th day of December, 2023

YEAS

NAYS

ATTEST:

APPROVED:

City Recorder

Mayor

RESOLUTION NO.

GRANTING A SUNDAY HARD LIQUOR ON-SALE LICENSE

WHEREAS, the establishment hereinafter named has applied to the City Council at Austin, Minnesota, for license to sell Sunday hard on-sale at the respective address listed below; and

WHEREAS, after due investigation, it appears said establishment for said license for sale of Sunday hard liquor on-sale has complied with all the provisions of the law relative thereto and is entitled to have a license issued to them for the address listed below their name.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Austin, Minnesota does hereby grant license for the sale of Sunday hard liquor on-sale to the following named licensee at the following location in Austin, Minnesota, which license shall expire December 31, 2023.

Cuatro Copas Bar & Lounge, LLC dba Cuatro Copas Bar & Lounge
324 N. Main Street
Austin, MN 55912

Passed by a vote of yeas and nays this 18th day of December, 2023.

YEAS

NAYS

ATTEST:

City Recorder

APPROVED:

Mayor

City of Austin
500 Fourth Avenue N.E.
Austin, Minnesota 55912-3773



Thomas Dankert
Director of
Administrative Services
507-437-9959
Fax 507-433-1693
tdankert@ci.austin.mn.us

TO: Mayor and City Council
FROM: Tom Dankert *TD*
DATE: December 11, 2023
RE: 2024 Legal Publications
U:\Word\2023\Miscellaneous\2024 Legal Publications.doc

Attached is the quote from Crystal Miller at the Austin Daily Herald for our legal publications for 2024. The Austin Daily Herald is the only newspaper that we can designate as the official newspaper by law since there are no other newspapers home based in Austin.

Please note the rate for 2024 is frozen at \$5.64 per column inch. This rate equates to \$0.32 per word.

Please do not hesitate to give me a call if you have any questions.

Austin Newspapers, Inc.
Austin Daily Herald
310 2nd St. NE
Austin, MN 55912
(507) 434-2220 Fax (507)-437-8644
e-mail: Crystal.Miller@austindailyherald.com

December 5, 2023

Office of the Administrator
City of Austin
Austin, MN 55912

Dear Administrator,

Thank you for the opportunity to bid for the designation of Official Newspaper for 2024. If selected, the Austin Daily Herald will hold rates for 2024. City legal notices will be at a rate of \$5.64 per column inch for display ads and a rate of .32 per word for public notice line ads.

At the Austin, Daily Herald we appreciate your continued support and look forward to serving our City for the 2023 notices.

→ 51B 2024

6 Column width = 9 picas and 4.5 points or 1.5625 inches
8 point type
1 point of space between lines
9 lines per vertical inch

abcdefghijklmнопqrstuvwxyz – lower case 8pt.

If you have any questions or concerns please feel free to contact me at 507-434-2220.

Sincerely,



Crystal Miller
President and Publisher

Tom Dankert

From: Ann Kasel
Sent: Tuesday, December 5, 2023 3:17 PM
To: Tom Dankert
Subject: FW: Official Newspaper - Public Notice Quote - 2024
Attachments: Legal Bid for City of Austin 2024.pdf

Newspaper quote

Ann M. Kasel
City Clerk
City of Austin
500 Fourth Avenue N.E.
Austin, Minnesota 55912-3773
507.437.9943

From: Crystal Miller <crystal.miller@albertleatribune.com>
Sent: Tuesday, December 5, 2023 3:15 PM
To: Ann Kasel <AnnK@ci.austin.mn.us>
Subject: Official Newspaper - Public Notice Quote - 2024

CAUTION: This email originated outside of our organization.
Do not click links or open attachments unless you recognize the sender and know the content is safe.

Ann,
Attached is a quote for designation of Official Newspaper for 2024 for the City of Austin. We have held the rates for 2024. I appreciate the opportunity to submit the quote on behalf of the Austin Daily Herald. Please let me know if you have any questions.

Thank you!

--
Crystal Miller
President & Publisher
Austin Daily Herald
Albert Lea Tribune
507-473-4396



To: Mayor and Council

From: Mark Nibaur, Austin Utilities General Manager

Date: 12/11/2023

RE: Agreement for Transfer of Service Territory

Austin Utilities (AU) and Freeborn Mower Electric Cooperative (FMEC) have come to an agreement on a transfer of service territory. The AU Board of Commissioners approved the agreement at the November 21st, 2023 meeting. Approval from the Austin City Council is required to fully execute the agreement and eventually file with the Minnesota Public Utility Commission (MPUC).

To refresh the Council, Minnesota Statutes 216B.37-216B.47, provides the terms and conditions under which Utilities may extend retail electric service throughout the corporate limits of a city, as well as authorize and permit electric utilities to define and revise their electric service territories by written consent and agreement.

A few details to the transaction:

- Cost to purchase existing FMEC distribution facilities.
- Integration costs for FMEC facilities.
- AU costs to connect our system to the purchased system.
- Loss revenue staggered over a 10-year period – 20 mills (\$0.0200) / kwh.
- Currently 8 customers are affected by the transfer.
- SMMPA Load Acquisition Credit based on the usage.
- Legal fees to date with McGrann and Shea.
- The final step for AU and FMEC is to file the necessary records with the MPUC.

I believe it should be a priority for AU to expand service territory when opportunities arise. This allows our customer base to expand as the property develops, which in turn spreads our operating costs over more Kwh sales. Even though there is a financial outlay upfront, in the long run this provides financial security for Austin Utilities.

Attached is the final agreement that has been approved by FMEC staff and the AU Board.

If you have questions, please let me know.

Thanks Mark

AGREEMENT FOR TRANSFER OF SERVICE TERRITORY RIGHTS BETWEEN AUSTIN UTILITIES
AND FREEBORN MOWER ELECTRIC COOPERATIVE

This agreement ("Agreement"), made and entered into (date) by and between Austin Utilities (the "Utilities"), chartered under the City of Austin, a municipal corporation duly organized and existing under the laws of the State of Minnesota and Freeborn Mower Electric Cooperative, a rural electric cooperative organized and existing under the laws of the State of Minnesota (the "Cooperative"), individually or collectively referred to as a "Party" or "Parties."

WHEREAS, the laws of the State of Minnesota, namely Minnesota Statutes §§ 216B.37-216B.47, provide the terms and conditions under which the Utilities may extend retail electric service throughout the corporate limits of the City of Austin, as well as authorize and permit electric utilities to define and revise their electric service territories by their written consent and agreement;

WHEREAS, the Utilities seek to provide electric service to certain areas totaling approximately 230.5 acres within the City of Austin limits and within the assigned service territory of the Cooperative, described in greater detail in the map and legal description attached hereto as Exhibit A (the "Transfer Area"); and

WHEREAS, the Parties have negotiated a mutual settlement and wish to avoid litigation regarding compensation for such electric service territory matters; and

NOW, THEREFORE in consideration of the premises and of the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

Article 1: Transfer of Electric Service Territory Rights

1.1 The exclusive right and obligation to provide electric service to the Transfer Area shall automatically transfer to the Utilities on the earlier of January 1, 2024 or on a date mutually agreed upon by the Parties (the "Transfer Date"). If electric service is required before the Transfer Date, the Cooperative consents to the Utilities providing interim service to the Transfer Area.

1.2 The Parties shall fully cooperate in arranging the transfer of service rights to be as convenient and seamless as possible, in providing notice to any customers, and in responding to any customer questions or concerns.

1.3 To avoid duplication of facilities and to consider the impact on affected customers, the Parties may mutually agree in writing to a service-by-exception or other arrangement other than the Transfer Date.

Article 2: Compensation

In consideration of the covenants, releases and representations made by Cooperative herein, the Utilities agrees to make the following payments to Cooperative, subject to Article 3:

2.1 Facilities. The Utilities shall pay the Cooperative \$1,857.00 for the original cost less depreciation for the cost of electric distribution facilities in the Transfer Area that will no longer be used by the Cooperative following the transfer of service. The facilities to be transferred to the Utilities are set forth in further detail in Exhibit B. Payment of undisputed invoices shall be made within 30 days of receipt of the invoice or as agreed to in writing by both Parties. Any facilities that the Utilities acquires from the Cooperative under this Agreement, unless mutually agreed by the Parties in writing, shall be acquired on an "AS IS" basis and without warranty or representation relating to their condition, design, or compliance with the

National Electric Safety Code. The Utilities shall indemnify and hold the Cooperative harmless against all claims for loss, injury, or damage of any kind, including reasonable attorney's fees that directly and solely arise from the condition, maintenance, or operation of the transferred facilities, including abandoned cable.

2.2 Integration. The Utilities shall pay the Cooperative for the reasonable cost of system improvements required to reintegrate the Cooperative's distribution system when continuity, quality, and/or reliability of service to the Cooperative's remaining customers is impacted by the transfer of electric service. In good faith, the Cooperative has estimated the amount of integration expenses to be \$2,000.00 - \$3,000.00. Payment of undisputed invoices shall be made within 30 days of receipt of the invoice or as agreed to in writing by both Parties.

2.3 Loss of Revenues. The Utilities shall pay the Cooperative an amount equal to the result of multiplying 20 mills (\$0.0200) times each kilowatt hour of electric energy sold by the Utilities to each customer to whom the Utilities provides retail electric service in the Transfer Area. The mill rate shall be adjusted as provided in Section 2.5. The loss-of-revenues payments shall begin and end as provided in Section 2.4.

2.4 Compensation Period. For any customers that exist as of the Transfer Date, the ten-year compensation period for loss of revenues under Section 2.3 shall begin on the Transfer Date, unless otherwise agreed to by the Parties. For all customers that the Utilities begin to serve after the Transfer Date, the compensation period for loss of revenues under Section 2.3 shall be as follows:

(a) If a customer's service begins during the time period of January 1, 2024 – December 31, 2029, then the Utilities shall pay the mill rate then in effect, indexed as

applicable according to Section 2.5, starting from the date of service and continuing for a ten-year period. By way of example, if a customer's service begins on January 1, 2025, then the mill rate then in effect will apply from January 1, 2025 until December 31, 2034.

(b) If a customer's service through a permanent meter begins during the time period of January 1, 2029 – December 31, 2034, then the Utilities shall pay the mill rate then in effect, indexed as applicable according to Section 2.5, starting from the date of permanent meter service and concluding no later than December 31, 2034. By way of example, if a customer's permanent meter commences service on January 1, 2030, the mill rate then in effect will apply from January 1, 2030 until May 31, 2034.

2.5 Index. The Parties will annually establish an indexed mil rate for the loss-of-revenue payments specified in Section 2.3, starting not before the 1st day of January at least twelve (12) months after the effective date of this Agreement. The index will be established as follows:

(a) The Parties will use the Gross Domestic Product – Implicit Price Deflator prepared by the Bureau of Economic Analysis of the United States Department of Commerce, published periodically as the Gross Domestic Product: 4th Quarter Final Press Release on or in about March, and reflecting the percentage of change for the immediately preceding year, Real Gross Domestic Product and Related Aggregates and Price Indexes: Percentage Change from the preceding period, line one GDP (the "Index"), or in such other publication as the Bureau of Economic Analysis may establish in the future for the Index.

(b) To establish the indexed loss-of-revenue rate for a particular year, the Parties will multiply the loss-of-revenue rate of compensation for the immediately preceding year by the

sum of one plus the percentage rate of increase, if any, in the Index over the preceding year. The indexed loss-of-revenue rate thus established will apply to the loss of revenues calculated for the period January 1st through December 31st of that year.

(c) If the Index produces an increase in the rate of compensation greater than two percent for any year, the amount of the increase shall be capped at two percent.

(d) If the Index would result in a decrease in the rate of compensation, the rate of compensation shall not be decreased, but rather, will remain unchanged for that particular year.

2.6 Payment Process. The calculation of any amount due under Section 2.3 shall be made for the period concluding on December 31st of each year under consideration and payment of the annual amount so determined will be made by February 15 of the following year. The Utilities' sales shall be calculated on the basis of its meter readings, as made in the ordinary course of its utility business. With its annual payment, the Utilities shall provide a written report to the Cooperative, certified as true and correct by the General Manager of the Utilities, summarizing the kilowatt hours sold by the Utilities and the basis for the calculation of the compensation due to the Cooperative. The Utilities will furnish an electronic file with each mill rate payment providing the supporting information used in the calculations. The Cooperative acknowledges that the Utilities is subject to the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13 (the "Act") and that customer data is protected from public access and disclosure under the Act. The Cooperative agrees that any protected data that it receives pursuant to this Agreement shall be used only for the purposes contemplated in this Agreement, shall be reviewed only by those persons required to do so on its behalf, and shall be kept confidential and in conformance with all state and federal laws relating to data

privacy. The Cooperative will require that all employees, agents, sub-consultants who receive or review protected data comply with this Section and the Act.

2.7 Cooperative Data. The Cooperative will provide customer and other data for existing services and facilities transferred to the Utilities. The Utilities acknowledge that the Cooperative is subject to federal and state data privacy laws and that customer data is protected from public access under those laws, as well as under the Act once received by the Utilities. The Utilities agrees that any protected data that it receives pursuant to this Agreement shall be used only for the purposes contemplated in this Agreement, shall be reviewed only by those persons required to do so on its behalf, and shall be kept confidential and in conformance with all state and federal laws relating to data privacy. The Utilities will require that all employees, agents, or sub-consultants who receive or review protected data comply with this Section and all applicable laws.

2.8 Except as provided in this Article 2, no other payments shall be due for the Transfer Area under the terms of this Agreement.

Article 3: Exceptions to Compensation

3.1 Municipal Facilities. The loss-of-revenue payments under Article 2 shall not apply to future facilities owned by the City of Austin or the Utilities for providing utility or municipal services, including but not limited to, streetlights or lift stations.

3.2 Municipal Development. In the event that the Utilities, Austin Port Authority, or the City of Austin owns and develops property (owns or acquires at their cost or risk and develops to attract development without the use of a private developer by installing or replacing utility facilities and streets) in the Transfer Area for economic development purposes, then the mill rate

provision in Section 2.3 shall not apply. Instead, the Utilities shall pay an amount equal to 50% of the mill rate defined in Section 2.3 times each kilowatt hour of electric energy sold by the Utilities to each third-party customer to whom the Utilities provides retail electric service, provided that the Utilities' payment shall not exceed the maximum of two hundred fifty thousand (250,000) kilowatt hours per customer. The mill rate shall be indexed as set forth in Section 2.5.

Article 4: MPUC Filings

4.1 Promptly after the execution of this Agreement, the Cooperative consents and authorizes and the Utilities agrees that Utilities shall file with the Minnesota Public Utilities Commission the Parties' joint request, under Minn. Stat. § 2168.39, subd. 3, legally describing and depicting the Transfer Area, that the MPUC modify the service territory boundary and recognize the service territory transfer. Notice and a copy thereof shall be provided by the Utilities to the Cooperative not less than ten (10) days before filing with the MPUC.

4.2 If the MPUC or the Department of Commerce raises any question or challenges any provision of the update of the official service territory map, the Parties shall each, at their own expense exercise any and all lawful efforts reasonable and necessary to respond to said questions and to assure the transfer of service territory. If for any reason the MPUC refuses to recognize any service territory transfer described in Article 1, the Cooperative shall return any payments that have not already been utilized pursuant to Article 2, upon demand by the Utilities.

Article 5: Representations and Warranties

5.1 The Utilities and the Cooperative hereby mutually represent and warrant, each to the other, as follows:

(a) Each is duly organized and existing in good standing under the laws of the State of

Minnesota and each has all requisite power and authority to own, lease and operate its electric service facilities;

- (b) Each has the power and authority to execute, deliver and carry out the terms and provisions of this Agreement and has taken all the necessary corporate action to authorize the execution, delivery and performance of this Agreement; and
- (c) This Agreement constitutes a valid and binding obligation of each Party enforceable in accordance with its terms.

Article 6: Mutual Waiver and Release of Claims; Responsibilities.

- 6.1 The Parties do hereby each release and waive any and all claims that relate in any way to this transfer of service territory. The Parties do not waive or release any claim either Party may have for any breach of any covenants or any misrepresentations contained in this Agreement.
- 6.2 Each Party will be responsible for its own acts or omissions and the results thereof to the extent authorized by law and shall not be responsible for the acts or omissions of any others and the results thereof. Nothing in this Agreement limits or waives the rights or limits provided to the Utilities in Minnesota Statutes Chapter 466, and it is intended in this Agreement that unless explicitly provided otherwise, the Utilities shall have the maximum benefits and rights accorded to it under Chapter 466 and applicable law.

Article 7: Term and Scope of Agreement

- 7.1 The effective date of this Agreement is the date upon which the Agreement has been signed by both of the Parties.
- 7.2 This Agreement (including recitals and exhibits hereto) constitutes the entire Agreement and, with respect to the transfer of service for the Transfer Area and compensation therefore,

supersedes all prior agreements and understandings, oral and written, between the Parties hereto. There are no understandings, representations, or agreements, oral or written, regarding this Agreement that are not otherwise specified herein. Headings are for convenient reference and are not a part of this Agreement.

7.3 The Parties acknowledge that this Agreement is the result of arm's length negotiations between the Parties, each taking into consideration the costs and risks of litigation otherwise required to resolve the matters addressed in this Agreement. This Agreement does not reflect the position of either Party as to the appropriate application of the law determining electric service territory rights or compensation in such matters. For any electric service territory matters between the Parties not governed by this Agreement, the Agreement shall not act as precedent in the determination of compensation, if any be due.

Article 8: Alternative Dispute Resolution

8.1 In the event that a dispute arises between the Parties as to the interpretation or performance of this Agreement, then upon written request of either Party, representatives with settlement authority for each Party shall meet in person and confer in good faith to resolve the dispute. If the Parties are unable to resolve the dispute, they shall make every effort to settle the dispute through mediation or other alternative dispute resolution methods. If the Parties are unable to resolve the dispute through these methods, either Party may commence an action in the District Court for the county in which the service territory is located. The Transfer Date is not affected by any dispute or action to determine compensation.

Article 9: General Terms and Conditions

9.1 Any notice permitted or required by this Agreement shall be made in writing by letter,

electronic mail, personal service, facsimile, or other documentary form and shall be deemed given upon actual receipt by the Party to which such notice is given. The address for notice to each Party is as follows (as may be later changed by a Party by proper notice):

If to the Utilities:

Austin Utilities
Attn: General Manager
1908 14th Street NE
Austin, MN 55912

If to Cooperative:

Freeborn Mower Electric Cooperative
Attn: President/CEO
PO Box 611
2501 East Main Street
Albert Lea, MN 56007

9.2 This Agreement will inure to the benefit of the Parties hereto and shall be binding on them and their respective legal representatives, successors, and assigns. Provided, however, neither Party hereto may assign any of its rights herein to any person without the prior written consent of the other Party.

9.3 Each of the Parties acknowledges that the adjustment of electric service territory boundaries provided for herein is unique in that neither Party will have an adequate remedy at law if the other Party fails to perform any of its obligations hereunder. In such event, either Party shall have the right, in addition to any other rights it may have, to petition for and obtain specific performance of this Agreement in the District Court for the county in which the service territory is located.

9.4 This Agreement may be amended only in writing.

9.5 This Agreement may be executed in counterpart copies by the Parties and each

counterpart, when taken together with the other, shall be deemed one and the same executed Settlement Agreement.

Article 10: Execution of the Agreement

10.1 By executing this Agreement, the Parties acknowledge that they:

- (a) enter into and execute this Agreement knowingly, voluntarily and freely of their own volition with such consultation with legal counsel as they deem appropriate;
- (b) have had an opportunity to consult an attorney before signing this Agreement;
- (c) have read this agreement, understand all of its terms and appreciate the significance of those terms; and
- (d) have not relied upon any representation or statement not set forth herein.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above written.

FREEBORN MOWER ELECTRIC COOPERATIVE

By: _____

Its _____

and

By: _____

Its _____

CITY OF AUSTIN

By: _____

Its _____

and

By: _____

Its _____

AUSTIN UTILITIES

By: _____

Its _____

and

By: _____

Its _____

Exhibit A: Transfer Area Map and Legal Description

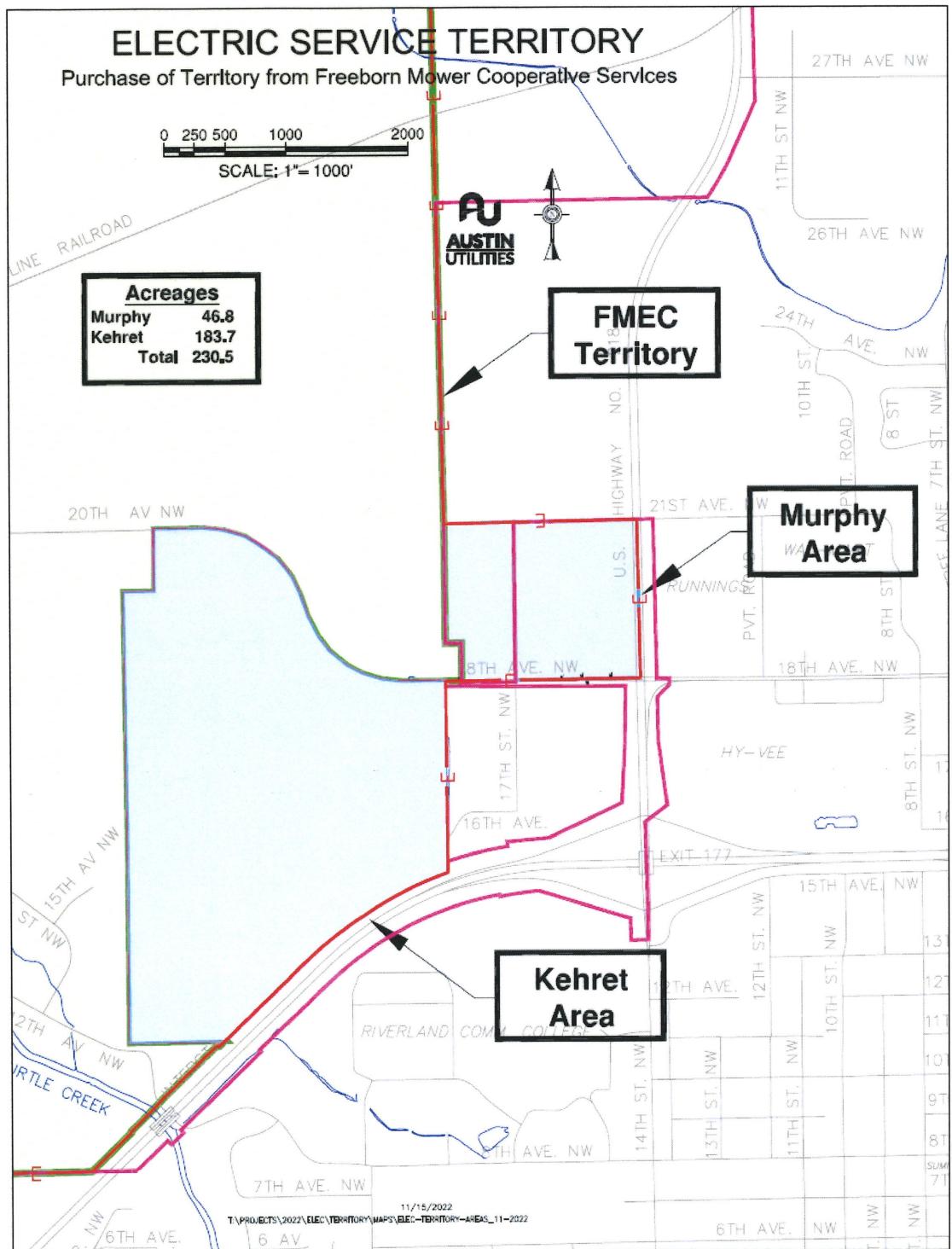


Exhibit B

Facilities to be purchased by Austin Utilities

RESOLUTION NO.

APPROVING AN AGREEMENT FOR THE TRANSFER
OF SERVICE TERRITORY RIGHTS BETWEEN AUSTIN UTILITIES
AND FREEBORN MOWER ELECTRIC COOPERATIVE.

NOW THEREFORE, BE IT RESOLVED that the Austin City Council authorizes the Mayor and City Recorder to sign and Agreement for Transfer of Service Territory Rights Between Austin Utilities and Freeborn Mower Electric Cooperative. A copy of said agreement is on file in the office of the City Clerk of the City of Austin.

Passed by a vote of yeas and nays this 18th day of December, 2023.

YEAS

NAYS

ATTEST:

APPROVED:

City Recorder

Mayor

City of Austin
500 Fourth Avenue N.E.
Austin, Minnesota 55912-3773



Steven J. Lang, P.E.
City Engr./Public Works Dir.
507-437-9949
Fax 507-437-7101
slang@ci.austin.mn.us

Memorandum

To: Mayor & Council
From: Steven J. Lang, P.E.
Date: December 13, 2023
Subject: WWTP Expansion & Phosphorus Reduction Project
 Change Order 002

As we progress through the project, changes to the overall project scope and construction plans will come up from time to time. Many of these items are addressed without issue, but some result in a change to the project cost. These project cost changes can be both project savings and project expenses. In order to keep progress moving along on the project, these cost changes are addressed in a Work Change Directive (WCD). These are first reviewed by SEH as part of their construction inspection and administrative duties. Then the WCD is reviewed by both myself and Hormel for approval. I have simplified the process as I have described it above, but there is a great deal of back-and-forth communication and problem solving involved before a WCD is approved. Finally, once a few WCD have been developed a Change Order is drafted. The change order will be present to Council for official approval, the overall project budget is adjusted and the items are eligible for payment.

Attached for your review is a summary of Change Order 002.

- WCD 007, Str 31 & 90 Air Release Valves
- WCD 011, Str 12 Vortex Grit, layout changes to optimize grit removal
- WCD 012, Str 65 Fiber Reroute, required for new structure excavation
- WCD 013, Truck Garage, HVAC ventilation
- WCD 014, Str 90, SAF equipment price escalation
- WCD 015, Str 10 Admin-Grit Bypass, converts a temporary line to permanent
- WCD 016, Odor Control Alternative
- WCD 017, Str 30 Lighting, additional walkway lighting for safety
- WCD 018, Str 30 Nitrogen Piping Mods
- WCD 019, Str 41 Grating Support, span length required additional support
- WCD 020, Str 31 Monorail Deletions
- WCD 021, Str 30 Base slab keyway additions
- WCD 022, Str 66 Wall Mods
- WCD 023, Str 30 Additional waterstops
- WCD 024, Str 68 Crane base and access hatch mods
- WCD 025, Str 38 Additional rebar

- ~~WCD 026, Watermain changes~~ (Pricing not complete)
- WCD 027, SCADA Programming Upgrades
- WCD 028, Str 30 Fine bubble aeration testing credit
- ~~WCD 029, Str 82/90 Cleanout tees~~ (Pricing not complete)
- WCD 030, Chemical manhole lid mods
- WCD 031, Str 60 Gravity Belt Thickener Polymer Injection Mods
- WCD 032, Str 30 Air low pressure piping mods
- WCD 033, Str 68 Motor Control Center mods
- WCD 034, Str 65 Electric Utility relocation
- WCD 035, Str 60 Loadout Piping
- WCD 036, Str 01 Concrete Foundation Removal

I would request approval of Change Order 002, which includes 25 WCD's valuing a total contract change of 474,638.00. Please let me know if you have any questions.

Change Order Summary

	Domestic	Industrial	Total Project Impact
Change Order #1	\$ 31,154.16	(\$273,541.16)	(\$242,387.00)
Change Order #2	<u>\$361,462.13</u>	<u>\$113,175.87</u>	<u>\$474,638.00</u>
Total Combined	\$392,616.29	(\$160,365.29)	\$232,251.00

	Work Change Directive (WCD)	100% Domestic	Combined		100% Industrial
			54.2% Domestic	45.8% Industrial	
Change Order #1	WCD-001				\$ 624.00
	WCD-002				
	WCD-003r1				\$ (340,627.00)
	WCD-004		\$ 16,196.04	\$ 13,685.96	\$ 31,472.00
	WCD-005r1		\$ 21,130.95	\$ 17,856.05	
	WCD-006		\$ 824.92	\$ 697.08	\$ 8,664.00
	WCD-007				
	WCD-008		\$ (17,329.37)	\$ (14,643.63)	
	WCD-009		\$ 3,694.81	\$ 3,122.19	
	WCD-010		\$ 6,636.79	\$ 5,608.21	
SubTotal		\$ 31,154.16			\$ (273,541.16)

	Work Change Directive (WCD)	100% Domestic	Combined		100% Industrial
			54.2% Domestic	45.8% Industrial	
Change Order #2	WCD-007		\$ 3,917.03	\$ 3,309.97	\$ 4,303.00
	WCD-011	\$ 20,507.00			
	WCD-012		\$ 9,340.29	\$ 7,892.71	
	WCD-013	\$ 11,992.00			
	WCD-014				\$ 159,968.00
	WCD-015	\$ 203,082.00			
	WCD-016				\$ (157,467.00)
	WCD-017		\$ 16,110.41	\$ 13,613.59	
	WCD-018		\$ (114,599.40)	\$ (96,838.60)	
	WCD-019		\$ 3,184.25	\$ 2,690.75	
	WCD-020		\$ (3,868.80)	\$ (3,269.20)	
	WCD-021		\$ 23,079.99	\$ 19,503.01	
	WCD-022		\$ 3,351.73	\$ 2,832.27	
	WCD-023		\$ 4,566.89	\$ 3,859.11	
	WCD-024		\$ 31,895.62	\$ 26,952.38	
	WCD-025		\$ 1,304.05	\$ 1,101.95	
	WCD-026				
	WCD-027		\$ 101,151.29	\$ 85,474.71	
	WCD-028		\$ (3,104.58)	\$ (2,623.42)	
	WCD-029				
	WCD-030		\$ 1,169.64	\$ 988.36	
	WCD-031		\$ 1,685.08	\$ 1,423.92	
	WCD-032		\$ 33,426.22	\$ 28,245.78	
	WCD-033		\$ (2,575.58)	\$ (2,176.42)	
	WCD-034		\$ 15,197.68	\$ 12,842.32	
	WCD-035		\$ (2,050.39)	\$ (1,732.61)	
	WCD-036		\$ 2,699.70	\$ 2,281.30	
SubTotal		\$ 361,462.13			\$ 113,175.87
Total Combined		\$ 392,616.29			\$ (160,365.29)

Change Order

No. 02

Date of
Issuance: _____

<u>Project:</u>	<u>Owner:</u>	<u>Owner's Contract No.:</u>
WWTF Expansion and Phosphorus Reduction Project	City of Austin	N/A
<u>Contract:</u>	<u>Date of Contract:</u>	
WWTF Expansion and Phosphorus Reduction Project	August 1, 2022	
<u>Contractor:</u>	<u>Engineer's Project No.:</u>	
Rice Lake Construction Group	AUSTN 169135	

The following change(s) will be made to the Contract Documents:

Item No.	D/C/I*	Description, Reason, Contract Price and Time Change
1	C, I	<p>WCD-007 Description: Structure 31 – Furnish and install one (1) 2-inch short-bodied air release valve. Structure 90 – Delete one (1) air release valve (not needed for the project) and change the remaining three (3) air release valves from combination air valves to pressure relief valves.</p> <p><u>Reason:</u> This change provides the required valves, which were not clearly specified or included in the Bid Documents and are needed to minimize trapped air and excess pressure in the pump discharge line at the high points.</p> <p><u>Price Change (Combined):</u> \$7,227.00</p> <p><u>Price Change (Industrial):</u> \$4,303.00</p> <p><u>Time Change:</u> 0 days</p>
2	D	<p>WCD-011 Description: Structure 12 – Modify Grit chamber inlet channel length and slope, along with grating, process piping, electrical, and other changes.</p> <p><u>Reason:</u> Vendor provided additional information, not available at time of design, which modifies the equipment layout to optimize grit removal performance. This will reduce future operation and maintenance costs.</p> <p><u>Price Change (Domestic):</u> \$20,507.00</p> <p><u>Time Change:</u> 0 days</p>
3	C	<p>WCD-012 Description: Structure 65 – Furnish and labor and materials to relocate the existing fiber optic cable outside of the Structure 65 excavation.</p> <p><u>Reason:</u> Utility locate investigations of the existing fiber optic cable relative to the medium voltage duct bank necessitated modification of the Contract Plans to complete this work. The modified fiber optic line relocation plan improves safety, maintenance and serviceability of the fiber optic line and can be accomplished within service outage time constraints.</p> <p><u>Price Change (Combined):</u> \$17,233.00</p> <p><u>Time Change:</u> 0 days</p>

4	D	<p>WCD-013 Description: Truck Garage – Furnish and install a new Truck Garage in lieu of relocating existing Truck Garage.</p> <p>Reason: The new garage size and layout will be more functional and useable than the existing garage.</p> <p>Price Change (Domestic): \$11,992.00</p> <p>Time Change: 0 days</p>
5	I	<p>WCD-014 Description: Structure 90 – SAF equipment price increase per the Contract Documents allowed SAF equipment price escalation specification.</p> <p>Reason: As part of sole source procurement of SAF equipment, a negotiated price escalation was included in the SAF equipment procurement allowance.</p> <p>Price Change (Industrial): \$159,968.00</p> <p>Time Change: 0 days</p>
6	D	<p>WCD-015 Description: Site Piping – Modifies site piping to provide a permanent Raw Wastewater (RW) bypass around Structures 01 (Administration) and 12 (Vortex Grit), and provides a new connection point to bypass Structure 10 (Main Lift Station).</p> <p>Reason: The permanent RW bypass provides operational flexibility and improves serviceability of equipment in Structures 01, 10, and 12, which will reduce future operation and maintenance costs.</p> <p>Price Change (Domestic): \$203,082.00</p> <p>Time Change: 0 days</p>
7	I	<p>WCD-016 Description: Structure 88 - Delete Structure 88 Odor Control System and replaced with a Biorem odor control unit (carbon media filter)</p> <p>Reason: The Biorem odor control unit is more cost effective to procure, install, and operate than the original odor control system. This change saves capital and operating costs.</p> <p>Price Change (Industrial): (\$157,467.00)</p> <p>Time Change: 0 days</p>
8	C	<p>WCD-017 Description: Structure 30 - Furnish and install nine (9) light fixtures and a new electric power circuit, conduit, and wiring.</p> <p>Reason: Additional walkways were added via Addendum No. 4 during the bidding phase, but light fixtures were not included. Light fixtures are needed along these additional walkways to provide a safe working environment.</p> <p>Price Change (Combined): \$29,724.00</p> <p>Time Change: 0 days</p>
9	C	<p>WCD-018 Description: Structure 30 - Delete eight (8) 30-inch DIP wall pipes with blind flanges, furnish and install round concrete blockouts for future 30-inch Sch 10 SST piping and stainless steel plates to one side of wall to cover opening until future use.</p> <p>Reason: The piping layout for a future treatment process was modified to be more efficient. Two (2) wall penetrations were eliminated and concrete blockouts with stainless steel plates replace the original DIP wall pipes with blind flanges, which saves capital costs.</p> <p>Price Change (Combined): (\$211,438.00)</p> <p>Time Change: 0 days</p>

10	C	<p>WCD-019 Description: Structure 41 - Furnish and install an I-beam and connections at the center of Structure 41 to support the aluminum grating.</p> <p>Reason: The aluminum grating is not structurally capable of supporting the 10-ft span at this structure. An intermediate support beam was not included in the design and is needed at the center of the span to provide the required structural support.</p> <p>Price Change (Combined): \$5,875.00</p> <p>Time Change: 0 days</p>
11	C	<p>WCD-020 Description: Structure 31 - Delete three (3) monorails for the blowers, and one (1) manual hoist (shared between the 3 monorails) in Building 31.</p> <p>Reason: These items are no longer needed because curbs will be used in lieu of equipment pads to support the blowers and will allow removal if needed with a fork truck or pallet jack.</p> <p>Price Change (Combined): (\$7,138.00)</p> <p>Time Change: 0 days</p>
12	C	<p>WCD-021 Description: Multiple Structures - Add base slab keyways to structure base slab joints.</p> <p>Reason: Base slab keyways are a structural requirement but were not included in the Contract Documents, keyway detail.</p> <p>Price Change (Combined): \$42,583.00</p> <p>Time Change: 0 days</p>
13	C	<p>WCD-022 Description: Structure 66 - Furnish and install a recess in the existing masonry block wall by replacing a portion of the 8" thick block with 4" thick block and coatings.</p> <p>Reason: The existing available space inside the valve closet is not big enough for the new back pressure regulator.</p> <p>Price Change (Combined): \$6,184.00</p> <p>Time Change: 0 days</p>
14	C	<p>WCD-023 Description: Structure 30 - Furnish and install additional waterstops in Structure 30 construction joints between walls and base slabs of the influent channel between Grids A and D.</p> <p>Reason: The additional waterstops were not shown on the Contract Documents and are required to prevent water from entering the sand filled void area below the aeration tank influent channel.</p> <p>Price Change (Combined): \$8,426.00</p> <p>Time Change: 0 days</p>
15	C	<p>WCD-024 Description: Structure 68 - Furnish and install seven (7) davit crane bases with watertight connections to the existing roof and modify six (6) access hatches.</p> <p>Reason: The davit crane bases allow mixing equipment to be lowered from and raised up to the roof for maintenance. Modifications to access hatches are required to facilitate removal of mixing equipment without interfering with hatch cover doors. These were not shown or not sufficiently detailed on the Contract Documents.</p> <p>Price Change (Combined): \$58,848.00</p> <p>Time Change: 0 days</p>

16	C	<p>WCD-025 Description: Structure - Furnish and install vertical dowels through the slab and walls of the structure.</p> <p>Reason: This structural reinforcing was not shown on the Contract Documents and is needed to provide the required structural connection between the concrete walls and slab.</p> <p>Price Change (Combined): \$2,406.00</p> <p>Time Change: 0 days</p>
17	C	<p>WCD-027 Description: SCADA Communication System - Furnish labor, expenses, 1-year software support contract, and Contract required 2-year warranty on labor/workmanship to install Inductive Automation Ignition software to replace the existing Factory Talk View software. Hardware and software will be purchased via the Contract Computer Allowance.</p> <p>Reason: The SCADA system upgrade will provide a more stable operating environment, which will improve WWTF operation resiliency and reliability, and reduce operating labor and costs.</p> <p>Price Change (Combined): \$186,626.00</p> <p>Time Change: 0 days</p>
18	C	<p>WCD-028 Description: Structure 30 – Provide a credit to Owner for waived Oxygen Transfer shop test on the Fine Bubble Aeration System.</p> <p>Reason: Vendor provided data from previous tests satisfy Engineer's testing requirements.</p> <p>Price Change (Combined): (\$5,728.00)</p> <p>Time Change: 0 days</p>
19	C	<p>WCD-030 Description: Site Piping – Furnish and install ten (10) modified manhole lids for chemical manholes.</p> <p>Reason: Owner requested addition of manhole lid gaskets to provide watertight seals for these manholes, which improve maintenance of chemical lines.</p> <p>Price Change (Combined): \$2,158.00</p> <p>Time Change: 0 days</p>
20	C	<p>WCD-031 Description: Structure 60 - Delete four (4) 6-ft long 6-inch diameter DIP flanged pipe sections with welded pipe tap. Furnish and install four (4) sets of 6-inch diameter flanged DIP in their place consisting of a 4'-8" flanged pipe section and a removable 1'-4" flanged pipe section.</p> <p>Reason: This change allows operators to remove and insert Gravity Belt Thickener (GBT) manufacturer provided venturi mixer/injection pipe spools in alternate locations to optimize polymer use for sludge thickening. This change will improve the operation of the GBTs and optimize polymer costs.</p> <p>Price Change (Combined): \$3,109.00</p> <p>Time Change: 0 days</p>

21	C	<p>WCD-032 Description: Structure 30 - Revise routing of 30-inch ALP (Air Low Pressure) air header piping from Structure #31 to #30, including expansion joint and pipe support additions and pipe support modifications to accommodate the revised layout of the 30-inch ALP pipe.</p> <p><u>Reason:</u> This change allows for additional clearance under the 30-inch ALP piping between Structures #31, #41, and #30 and includes expansion/contraction bellows to accommodate pipe length changes due to material temperature changes. The expansion/contraction joint details were not included in the Plans. This change allows for improved operation and maintenance of the aeration system for Structure 30.</p> <p><u>Price Change (Combined):</u> \$ 61,672.00</p> <p><u>Time Change:</u> 0 days</p>
22	C	<p>WCD-033 Description: Structure 68 - Reuse existing electrical equipment (circuit breakers and starters in MCC) in lieu of furnishing and installing new equipment.</p> <p><u>Reason:</u> During shop drawing review, it determined that existing equipment could be reused, which reduced the overall cost of the project.</p> <p><u>Price Change (Combined):</u> (\$4,752.00)</p> <p><u>Time Change:</u> 0 days</p>
23	C	<p>WCD-034 Description: Structure 65 - Furnish labor and materials to relocate existing electrical and communication utilities outside of the Structure 65 excavation.</p> <p><u>Reason:</u> Contractor utility locate investigations of the electric, gas, and hydronic lines determined that the electrical utilities are within the footprint of the Structure 65 excavation and need to be relocated.</p> <p><u>Price Change (Combined):</u> \$28,040.00</p> <p><u>Time Change:</u> 0 days</p>
24	C	<p>WCD-035 Description: Structure 60 - The temporary sludge loadout facilities were modified to better accommodate third party sludge load out operations during project construction.</p> <p><u>Reason:</u> This change makes the temporary sludge loadout operation more efficient and is an overall cost savings to the project.</p> <p><u>Price Change (Combined):</u> (\$3,783.00)</p> <p><u>Time Change:</u> 0 days</p>
25	C	<p>WCD-036 Description: Structure 01 - Furnish labor and materials to remove unforeseen concrete that is within the excavation limits of the Structure 01 (Administration Building) addition.</p> <p><u>Reason:</u> This buried concrete from a previous structure was not shown on the Contract Documents. This concrete material needs to be removed in order to construct the addition and the Contractor is entitled to a Price Change.</p> <p><u>Price Change (Combined):</u> \$4,981.00</p> <p><u>Time Change:</u> 0 days</p>

* D = Domestic, C=Combined, I=Industrial

Attachments (list documents supporting change):

- (1) WCD-007
- (2) WCD-011
- (3) WCD-012
- (4) WCD-013
- (5) WCD-014
- (6) WCD-015
- (7) WCD-016
- (8) WCD-017
- (9) WCD-018
- (10) WCD-019
- (11) WCD-020
- (12) WCD-021
- (13) WCD-022
- (14) WCD-023
- (15) WCD-024
- (16) WCD-025
- (17) WCD-027
- (18) WCD-028
- (19) WCD-030
- (20) WCD-031
- (21) WCD-032
- (22) WCD-033
- (23) WCD-034
- (24) WCD-035
- (25) WCD-036

Contract Price Change – Domestic and Industrial Split

Work Change Directive (WCD)	100% Domestic	Combined		100% Industrial
		54.2% Domestic	45.8% Industrial	
WCD-007		\$3,917.03	\$3,309.97	\$4,303.00
WCD 011	\$20,507.00			
WCD 012		\$9,340.29	\$7,892.71	
WCD 013	\$11,992.00			
WCD 014				\$159,968.00
WCD-015	\$203,082.00			
WCD 016				(\$157,467.00)
WCD 017		\$16,110.41	\$13,613.59	
WCD 018		(\$114,599.40)	(\$96,838.60)	
WCD 019		\$3,184.25	\$2,690.75	
WCD 020		(\$3,868.80)	(\$3,269.20)	
WCD 021		\$23,079.99	\$19,503.01	
WCD 022		\$3,351.73	\$2,832.27	
WCD 023		\$4,566.89	\$3,859.11	
WCD 024		\$31,895.62	\$26,952.38	
WCD 025		\$1,304.05	\$1,101.95	
WCD 026 ^b				
WCD 027		\$101,151.29	\$85,474.71	
WCD 028		(\$3,104.58)	(\$2,623.42)	
WCD 029 ^b				
WCD 030		\$1,169.64	\$988.36	
WCD 031		\$1,685.08	\$1,423.92	
WCD 032		\$33,426.22	\$28,245.78	
WCD 033		(\$2,575.58)	(\$2,176.42)	
WCD 034		\$15,197.68	\$12,842.32	
WCD 035		(\$2,050.39)	(\$1,732.61)	
WCD 036		\$2,699.70	\$2,281.30	
Totals		\$361,462.13		\$113,175.87

a. Canceled.

b. Not finalized, not included.

Contract Status:

<u>Original Contract Price</u>	<u>\$100,008,000.00</u>
<u>Previous Contract Price Revisions</u>	<u>(\$242,387.00)</u>
(Through Change Order: 01)	
<u>Current Contract Price</u>	<u>\$99,765,613.00</u>
<u>Price Change (this Change Order)</u>	<u>\$474,638.00</u>
<u>Revised Contract Price</u>	<u>\$100,240,251.00</u>
 <u>Original Contract Times (days)</u>	
Substantial Completion	1,120
Final Completion	1,370
<u>Previous Contract Time Revisions (days)</u>	
Substantial Completion	0
Final Completion	0
<u>Current Contract Times (days)</u>	
Substantial Completion	1,120
Final Completion	1,370
<u>Time Changes (this Change Order, days)</u>	
Substantial Completion	0
Final Completion	0
<u>Revised Contract Times (days)</u>	
Substantial Completion	<u>1,120</u>
Final Completion	<u>1,370</u>

<u>Recommended for Approval by Engineer:</u> Name: John Glatzmaier, Project Manager	Date:
Signature:	
<u>Approved for Owner (City of Austin, MN) by:</u> Name:	Date:
Signature:	
<u>Approved for Hormel Foods Corp. (if applicable) by:</u> Name:	Date:
Signature:	
<u>Approved for Contractor by:</u> Name:	Date:
Signature:	

Work Change Directive

No. 027

Date of Issuance: _____ Effective Date: November 27, 2023

Project:	Owner:	Owner's Contract No.:
WWTF Expansion and Phosphorus Removal Project	City of Austin	N/A
Contract:	Date of Contract:	
WWTF Expansion and Phosphorus Removal Project		August 1, 2022
Contractor:	Engineer's Project No.:	
Rice Lake Construction Group	AUSTN 169135	

Contractor is directed to proceed promptly with the following change(s):

Item No.	D/C/I*	Description
1	C	<p>Furnish labor, expenses, 1-year software support contract, and Contract required 2-year warranty on labor/workmanship to install Inductive Automation Ignition software to replace the existing Factory Talk View software. Provide new version of other related computer software to the latest compatible Microsoft Windows platform. Software upgrades to function on two SCADA rack mounted servers and five SCADA client workstations.</p> <p>Hardware and software will be purchased via the Contract Computer Allowance.</p> <p>SCADA system upgrade will provide a more stable operating environment, which will improve WWTF operation resiliency and reliability, and will reduce operating labor and costs.</p>

* D = Domestic, C=Combined, I=Industrial

Attachments (list documents supporting change):

- (1) COP-011, REV 3 –SCADA Software and Hardware Upgrade, Option 2
- (2) RFP-015 – SCADA Software and Hardware Upgrades Options

Purpose for Work Change Directive:

Authorization for Work described herein to proceed on the basis of Cost of the Work presented below due to:

- Nonagreement on pricing of proposed change.
- Necessity to expedite Work described herein prior to agreeing to changes on Contract Price and Contract Time.
- Both parties agree to price and times and will be incorporated in a future combined Change Order.

Estimated change in Contract Price and Contract Times:Contract Price \$186,626.00 (increase)Contract Time 0 (increase)
days

Recommended for Approval by Engineer: John Glatzmaier, Project Manager	 Date: 12/4/2023
Authorized for Owner by: Steven Lang, City Engineer	Date: 12/5/2023
Authorized for Hormel Foods Corp. by (if applicable): Mark Carlstrom, Environmental Engineer	Date:
Received for Contractor by: Evan Edmundson, Project Manager	Date:
Received by Funding Agency (if applicable):	Date:



22360 COUNTY ROAD 12 • PO BOX 517 • DEERWOOD, MN 56444 • PH 218-546-5519 • FX 218-546-7016

Change Order Proposal #: 2232-011 Rev. 3

November 21, 2023

John Glatzmaier
Short Elliot Hendrickson, Inc.
3535 Vadnais Center Drive
St. Paul, MN 55110

Re: Austin WWTP EPRP – RFP-015 SCADA Software and Hardware Upgrades

Dear Mr. Glatzmaier:

We propose to furnish labor, material, and equipment per RFP-015. Please see the attached additional detailed breakdown for a total of \$186,626.00.

Sincerely,
RICE LAKE CONSTRUCTION GROUP

A handwritten signature in black ink that reads "Evan Edmundson".

Evan Edmundson
Project Manager

Cc:

Jason Schmitt
Thomas Leonard
Ethan Ellingsen



22360 County Road 12, PO Box 517
Deerwood, MN 56444

CHANGE ORDER PROPOSAL

DATE: 11/21/2023

COP #: 011

PROJECT NAME: Austin WWTP

RLCG PROJECT #: 2232

DESCRIPTION	QTY	UNIT	LABOR			MATERIAL		SUBCONT. TOTAL	EQUIP TOTAL	LINE TOTAL
			RATE	HOURS	\$ RATE	TOTAL	RATE			
			0.00	\$ -	\$ -	\$0.00	\$ -	\$0.00	\$ -	\$ -
			0.00	\$ -	\$ -	\$0.00	\$ -	\$0.00	\$ -	\$ -
Fox Electric			0.00	\$ -	\$ -	\$0.00	\$ -	\$0.00	\$ 175,112.65	\$ 175,112.65
			0.00	\$ -	\$ -	\$0.00	\$ -	\$0.00	\$ -	\$ -
			0.00	\$ -	\$ -	\$0.00	\$ -	\$0.00	\$ -	\$ -
			0.00	\$ -	\$ -	\$0.00	\$ -	\$0.00	\$ -	\$ -
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			0.00	\$ -	\$ -	\$0.00	\$ -	\$0.00	\$ -	\$ -
			0.00	\$ -	\$ -	\$0.00	\$ -	\$0.00	\$ -	\$ -
			0.00	\$ -	\$ -	\$0.00	\$ -	\$0.00	\$ -	\$ -
Misc. Small Tools and Mat'l 5% of Labor	1.00	ea	5.00%							\$ -
Sales Tax	1.00	ea	7.875%							\$ -
				Totals	0.00	\$ -	\$ -	\$ 175,112.65	\$ -	\$ 175,112.65
								Rice Lake Mark-up on Subs (5%)	\$ 8,755.63	
								Rice Lake Mark-up on labor, material, and equipment (15%)	\$ -	
								Bond Cost (1.5%)	\$ 2,758.02	
								Total Change Order Proposal Request	\$ 186,626.00	

Days Requested

TBD

PROPOSAL

FOX ELECTRIC CO. INC.

Electrical Contractor

SECURITY FIRE ALARM DATA PHONE
 500 NE 10th Street – Austin, Minnesota 55912
Phone: (507) 433-7184 Fax: (507) 433-5111
Email: foxelectric@foxelectricinc.com

PROPOSAL SUBMITTED TO: EVAN RICE LAKE	E-MAIL	PHONE	DATE
STREET 22360 COUNTY ROAD 12	JOB NAME	AUSTIN WWTP CO #3 REV 4	
CITY, STATE and ZIP CODE DEERWOOD, MN 56444	JOB LOCATION	AUSTIN, MN	

We hereby submit specifications and estimates for:

CHANGE ORDER #3 SKADA SYSTEM UPGRADE

OPTION #1: IGNITION BY INDUCTIVE AUTOMATION PER ATTACHED AUTOMATIC SYSTEMS PROPOSAL
INCLUDES 5% MARK-UP

TOTAL ADDER: \$175,112.65

Payment to be made as follows: 50% DOWNPAYMENT UPON ACCEPTANCE OF BID-REMAINDER UPON COMPLETION OF PROJECT

Any alteration from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. Owner to carry fire, tornado, and other necessary insurance. If additional insured is required on certificate of insurance, there will be an additional fee added to this price in the form of a change order. Price does not include performance bond, bid bond, building permit, or dumpster fees. Price does include State Electrical Inspection Fee.

Note: This proposal may be withdrawn by us if not accepted within 10 days.

Acceptance of Proposal – The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work specified. Payment will be made as outlined above.

Fox Electric SEAN ARNDT
Signature

Owner
Signature

Date of Acceptance: _____



PROJECT: Austin, MN - Expansion and Phosphorus Removal

ASC CHANGE ORDER NO: 20230000-010

CO REFERENCE: RFP 15

DATE: November 10, 2023

QUOTATION EXPIRES: 60 Days

CHANGE ORDER PROPOSAL

Please submit an itemized proposal for changes to the Contract Price and/or Time resulting from proposed modifications to the Contract Documents described below. The proposal should be submitted within ten days to the Engineer.

Description of Proposed Modifications:

~~Use the existing \$30,000 specified allowance for new SCADA computers to purchase new computer hardware and SCADA software. Bring the new or upgraded SCADA system on line in parallel with the existing SCADA system. Proposed hardware specifications:~~

1. ~~Servers (rack mounted):~~
 1. Xeon processors
 2. 128 GB RAM
 3. 1TB solid state drive(s) rated for high number of writes and reliability (alternate: RAID)
 4. Windows Server (version compatible with the SCADA Server software)
2. ~~Clients (desktop workstations):~~
 1. i7 9th gen processor
 2. 64 GB RAM
 3. 500 GB solid state drive
 4. Desktop workstation
 5. Windows 10 Pro or 11 Pro (version compatible with the SCADA client software)
3. ~~Server rack~~
 1. Wall mounted server rack 12U or larger with rack mounted UPS, grounding bar, and sufficient ventilation to house 2 servers. Confirm location and space requirements with Owner.

Provide Inductive Automation Ignition software to replace the existing Factory Talk View software. Provide new version of other related computer software to the latest compatible Microsoft Windows platform. Provide software upgrades to function on two SCADA rack mounted servers and three SCADA client workstations.

- Develop screens for all existing processes to be moved to Ignition. Provide, install, and configure server redundancy, client connections, alarms, alarm dialing, historical data collection, reporting and connections to outside data systems to match the functionality of the existing SCADA system.
- All labor to develop new screens for new processes and modify screens for modified processes is already included in project scope.
- Software to function on five workstations.

WE ARE PLEASED TO OFFER THE FOLLOWING EQUIPMENT AND SERVICES IN ACCORDANCE WITH THE RFP 15 DOCUMENT.

A One (1) COMPUTER HARDWARE/SOFTWARE - ALLOWANCE

The equipment listed below will be provided under the \$30,000 computer allowance and will be submitted separately. It is listed only to provide a BOM as a basis of design and monies for this hardware are non-inclusive to this proposal.

Server Rack, this complete assembly will consist of a 12U wall mount rack, cable management, 20A PDU, misc hardware, rackmount 2000VA UPS with (1) EBM to allow for 30 minutes of runtime at 150% of the rated load, two servers and three workstations as listed below.

(2) Server PC Builds, Specifications as follows:

- Dell PowerEdge R650, rack mount
- Intel Xeon Silver 4309Y 2.8G, 8C/16T, 10.4GT/s, 12M Cache, Turbo, HT (105W) DDR4-2666
- 128GB RAM - 8 x 16GB RDIMM, 3200MT/s, Dual Rank
- 3 x 1.92TB SSD SATA Mix Use 6Gbps 512 2.5in Hot-plug AG Drive, 3 DWPD
- BOSS-S2 controller card + with 2 M.2 480GB (RAID 1) -1TB for the OS, add a BOSS Card that can have the OS embedded.
- RAID-5
- Dual, Hot-plug, Power Supply Redundant (1+1), 800W, Mixed Mode, NAF
- Windows Server 2022 Datacenter, 16 CORE, FI, No MED, UnLTD VMs, NO CALs, Multi Language – Windows 2022 is the most up to date OS for what we have in servers. I am giving you datacenter. I can change to standard if needed.
- Windows Server 2022 Datacenter, 16 CORE, DF Recovery Image, Multi Lang, (Downgrade not included)
- Broadcom 5720 Quad Port 1GbE BASE-T Adapter, OCP NIC
- iDRAC9, Enterprise 15G
- Basic Next Business Day 36 Months
- ProSupport and Next Business Day Onsite Service Initial, 36 Month(s)
- SQL Server Standard 2019 Edition + 10 Cals
- (1) Grandstream VOIP modem shared between both servers

(5) Workstation PC Builds, (Lab, Chad, Industrial, A & B) Specifications as follows:

- Intel Core i7-12700 processor (25MB Cache, 12 Core (8P+4E), 2.1GHz to 4.9GHz (65W) TDP
- Dell Precision 3460 SFF with 300W Power Supply
- 64GB (2x32GB) DDR5 Non-ECC Memory
- Intel Integrated Graphics card
- 512GB PCIe NVMe™ Gen4 M.2 SSD
- Windows 10 Pro
- Office 2021 Professional
- Wireless Keyboard & Mouse
- ProSupport and Next Business Day Onsite Service Initial, 36 Month(s)

Install Ignition 8.1 Software, latest current version configured for redundancy, voice notification, reporting, tag historian, alarming and license activations in the name of the OWNER to act as a direct replacement of what is currently installed and in place. The PC workstations will simply use a web browser to launch a SCADA view screen.

Support, comes with one year prepaid. After the one-year support contract expires, ASC will ensure a smooth transfer of ownership to the city of Austin, allowing them to manage support fees and contracts directly.

B One (1) Professional services to migrate to new SCADA software platform by Ignition. Provide/install software to function on two SCADA rack mounted servers and five SCADA client workstations to match existing functionality.



The existing application consists of the following:

Tag Count: 4358

Alarm Count: 628

Screen Count 208 total graphics with 68 trends

Servers & Workstation Setup, configure servers and PC workstations including setup, drivers, networking, creating shortcuts, auto starting and general windows O/S configurations.

Develop New Screens, hold screen review meeting with SEH/OWNER with the objective of how the screens should look for commonality. Take existing screens and rebuild from scratch to simplify and gain efficiencies in look and feel from an operational perspective. This also will include navigation, trending, alarm history and general look and feel.

Develop New Reports, the current lab computer has 25+ year old scripting that is outdated, non-reliable and buggy. This reporting application is part of the core software and uses the same database which requires no middleware or connectors. ASC will review and define reports that the Owner needs and wishes to implement. This software can create real time (on-demand) and scheduled reports as needed simplifying the need for automatic collection of data and generating reports.

Upgrade the Win 911 Application, including license activations in the name of the OWNER, alarm database and peripherals. Due to the incompatibilities of the FactoryTalk alarms and tags database, we will not be importing the existing archived database.

Your net price for Item B, FOB factory with freight allowed to jobsite including one (2) year warranty on labor/workmanship from date of startup (not to exceed 18 months from date of shipment).....\$166,773.95 **PLUS TAX**.

Your net price for the above items, FOB factory with freight allowed to jobsite including one (1) year warranty from date of startup (not to exceed 18 months from date of shipment)..... \$ 166,773.95
excluding taxes

The above pricing does not include any of the following:

1. Use the existing \$30,000 specified allowance for new SCADA computers to purchase new computer hardware and SCADA software. It is estimated that this hardware cost to be around \$52,000 based on the minimum requirements per Inductive Automation. Any overages for hardware will be billed as a cost plus to pay for invoices. Any extended warranties required on this hardware must be procured through monies in the allowance.
2. Sales or use taxes.
3. Bond costs.
4. License fees or permits of any kind.
5. Spare parts of any kind.
6. Interconnecting wire, cables, or conduits between control panels/MCCs and primary devices.
7. Temporary electric services or equipment.
8. Final termination of customer terminal connections.
9. Setting or mounting of any equipment.
10. Concrete housekeeping pads.
11. Grounding of equipment.
12. Telephone equipment.
13. Installation of any kind.



14. Labor or any other miscellaneous materials that may be required for installation not specifically detailed above.

Respectfully submitted,
AUTOMATIC SYSTEMS CO.

Michael Voelker

Mike Voelker
mvoelker@automaticsystemsco.com

To expedite handling and confirmation, you may sign below and forward as your order for the equipment quoted above.

Total Net Price

Purchase Order No.

Customer/Firm Name

Items Ordered

Authorized By



Proposal Request No. 015
WWTF Expansion and Phosphorus Removal Project
Austin, MN
SEH No. AUSTN 169135

TO: Evan Edmundson
Project Manager
Rice Lake Construction Group
22360 County Road 12
Deerwood, MN 56444

Date: April 22, 2023

Please submit an itemized proposal for changes to the Contract Price and/or Time resulting from proposed modifications to the Contract Documents described below. The proposal should be submitted within ten days to the Engineer.

Description of Proposed Modifications:

All Options: Use the existing \$30,000 specified allowance for new SCADA computers to purchase new computer hardware and SCADA software. Bring the new or upgraded SCADA system on-line in parallel with the existing SCADA system. Proposed hardware specifications:

1. Servers (rack mounted):
 - a. Xeon processors
 - b. 128 GB RAM
 - c. 1TB solid state drive(s) rated for high number of writes and reliability (alternate: RAID)
 - d. Windows Server (version compatible with the SCADA Server software)
2. Clients (desktop workstations):
 - a. i7 9th gen processor
 - b. 64 GB RAM
 - c. 500 GB solid state drive
 - d. Desktop workstation
 - e. Windows 10 Pro or 11 Pro (version compatible with the SCADA client software)
3. Server rack
 - a. Wall-mounted server rack 12U or larger with rack mounted UPS, grounding bar, and sufficient ventilation to house 2 servers. Confirm location and space requirements with Owner.

Option1: Upgrade FactoryTalk View SE software, win 911 software, and related computer software to latest versions to operate on the latest compatible Microsoft Windows platform. Provide software upgrades to function on two SCADA rack mounted servers and three SCADA client workstations.

- Include labor to copy the existing FT View SE project and associated alarms, historical data collection, historical data, and historical alarms to the new SCADA servers.
- Replace script-based reporting with the goal of producing the same reports as currently produced.
- Provide software upgrade for FT View Studio on the Primary SCADA server. Provide, install, and configure server redundancy, client connections, alarms, Win911, historical data collection, reporting and connections to outside data systems to match the functionality of the existing SCADA system.
- All labor to develop new screens for new processes and modify screens for modified processes is already included in project scope.
- Software to function on five workstations.

Option 2: Provide Inductive Automation Ignition software to replace the existing Factory Talk View software. Provide new version of other related computer software to the latest compatible Microsoft Windows platform. Provide software upgrades to function on two SCADA rack mounted servers and three SCADA client workstations.

- Develop screens for all existing processes to be moved to Ignition. Provide, install, and configure server redundancy, client connections, alarms, alarm dialing, historical data collection, reporting and connections to outside data systems to match the functionality of the existing SCADA system.
- All labor to develop new screens for new processes and modify screens for modified processes is already included in project scope.
- Software to function on five workstations.

Option 3: Provide Aviva InTouch software to replace the existing Factory Talk View software. Update the Win 911 software and other related software to newest versions to operate on the latest compatible Microsoft Windows platforms. Provide software upgrades to function on two SCADA rack mounted servers and three SCADA client workstations.

- Develop screens for all existing processes to be moved to Aviva InTouch. Provide, install, and configure server redundancy, client connections, alarms, alarm dialing, historical data collection, reporting and connections to outside data systems to match the functionality of the existing SCADA system.
- All labor to develop new screens for new processes and modify screens for modified processes is already included in project scope.
- Vendor stated Aviva allows for programing efficiencies, so with these efficiencies this is anticipated to be a "no additional cost" option. Software to function on five workstations.

Attachments:

This form requests information only. Authorization to execute the proposed modifications will be given subsequently by Change Order.

Requested by: *John W. Glatzmaier*
Signature

John Glatzmaier
Printed Name

Project Manager
Title

Short Elliott Hendrickson Inc.

c: Posted to Newforma

x:\ae\lalaustn\169135\7-const-svcs\71-mgmt\50-chg-order\request for proposals (rfp)\rfp-015 - scada software and hardware upgrades\rfp 015 - scada software and hardware upgrades options -final.docx

RESOLUTION NO.

RESOLUTION APPROVING CHANGE ORDER NO. 2 WITH RICE LAKE CONSTRUCTION GROUP FOR THE WASTE WATER TREATMENT PLAN CONTRACT

WHEREAS, the City of Austin, Minnesota entered into a contract with Rice Lake Construction group for the construction of a new waste water treatment plant via ordinance no. 706 on August 1, 2022; and

WHEREAS, changes to the overall scope and construction plans will come up from time to time; and

WHEREAS, the contractor requested a change order for the additional work; and

WHEREAS, the following change orders have been requested:

Change Order #2	Work Change Directive (WCD)	100% Domestic	Combined		100% Industrial
			54.2% Domestic	45.8% Industrial	
	WCD-007		\$ 3,917.03	\$ 3,309.97	\$ 4,303.00
	WCD-011	\$ 20,507.00			
	WCD-012		\$ 9,340.29	\$ 7,892.71	
	WCD-013	\$ 11,992.00			
	WCD-014				\$ 159,968.00
	WCD-015	\$ 203,082.00			
	WCD-016				\$ (157,467.00)
	WCD-017		\$ 16,110.41	\$ 13,613.59	
	WCD-018		\$ (114,599.40)	\$ (96,838.60)	
	WCD-019		\$ 3,184.25	\$ 2,690.75	
	WCD-020		\$ (3,868.80)	\$ (3,269.20)	
	WCD-021		\$ 23,079.99	\$ 19,503.01	
	WCD-022		\$ 3,351.73	\$ 2,832.27	
	WCD-023		\$ 4,566.89	\$ 3,859.11	
	WCD-024		\$ 31,895.62	\$ 26,952.38	
	WCD-025		\$ 1,304.05	\$ 1,101.95	
	WCD-026				
	WCD-027		\$ 101,151.29	\$ 85,474.71	
	WCD-028		\$ (3,104.58)	\$ (2,623.42)	
	WCD-029				
	WCD-030		\$ 1,169.64	\$ 988.36	
	WCD-031		\$ 1,685.08	\$ 1,423.92	
	WCD-032		\$ 33,426.22	\$ 28,245.78	
	WCD-033		\$ (2,575.58)	\$ (2,176.42)	
	WCD-034		\$ 15,197.68	\$ 12,842.32	
	WCD-035		\$ (2,050.39)	\$ (1,732.61)	
	WCD-036		\$ 2,699.70	\$ 2,281.30	
	SubTotal	\$	361,462.13	\$	113,175.87

WHEREAS, said contract, among other things, requires that change orders to the contract be approved by the City of Austin; and

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Austin, Minnesota approves change order number 2 to the waste water treatment plant construction project.

BE IT FURTHER RESOLVED, that the Mayor and City Recorder are authorized to execute said change order.

Passed by a vote of yeas and nays this 18th day of December, 2023.

YEAS

NAYS

ATTEST:

City Recorder

APPROVED:

Mayor

City of Austin
500 Fourth Avenue N.E.
Austin, Minnesota 55912-3773



Steven J. Lang, P.E.
City Engineer/P.W. Director
507-437-9950
Fax 507-437-7101
slang@ci.austin.mn.us

Memorandum

To: Mayor & Council
From: Steven J. Lang, P.E.
Date: December 13, 2023
Subject: Individual Control Mechanism, Lansing Landfill

The city has been accepting leachate from the WCI Lansing Landfill located north of Austin for several years. An Individual Control Mechanism has been developed by the City of Austin that establishes the parameters for the leachate which are as follows:

- Establish pollutant level limits for all leachate
- Establish flow limits
- Identifies prohibited wastes
- Establishes a fee structure for disposal at the WWTP

Following discussion with Council at the November 20th, 2023 meeting, the following modifications have been made to the standard agreement:

7. General Permit Conditions:

1. Permittee is to develop a PFAS Management Plan by July 1st, 2024. The City will then review the PFAS Management Plan and determine the acceptability of said plan. If said PFAS Management Plan is accepted, the implementation of the plan must be completed by December 31st, 2025.
- m. This ICM Agreement is subject to review, modification, restriction, or termination in the event The City or its Waste Water Treatment facility or process experiences additional regulatory or statutory standards, whether adopted by the MPCA, the EPA, the Minnesota State Legislature, the Federal Government, or other regulatory agency or institution with authority over the City's Waste Water Treatment facility or process related to any contaminant, byproduct, or substance present in Permittee's leachate when delivered to the City under this ICM Agreement. Said review, modification, restriction, or termination shall be at the City's sole discretion but shall be based on the City's ability to meet any such regulatory or statutory standards with existing facilities and process and at no additional cost to the City.
- n. This ICM expires on December 31, 2025 and is subject to be re-opened at the request of either party.

Appendix 1, Testing Parameters: Quarterly testing for EPA 613, 8082, 8081 & 150.1

Attached is the two-year ICM agreements for your review and consideration with WCI Austin Landfill, LLC. If you have any questions, please feel free to contact me.

INDIVIDUAL CONTROL MECHANISM (ICM)
BETWEEN
THE CITY OF AUSTIN (City)
AND
WCI AUSTIN LANDFILL (Permittee)
(Lansing Landfill)

The City of Austin (City) operates a wastewater treatment facility that serves the businesses and citizens within the City of Austin. WCI Austin Landfill (permittee) the owner/operator of a construction demolition landfill (Lansing Landfill) has requested consideration of discharging approximately 3 million gallons/year of leachate from the above referred facility. This ICM is specific to the above referred Permittee.

The Permittee: Located in Lansing Township near Austin, accepts Construction and Demolition Debris in a lined landfill. Leachate collection system makes the facility an environmentally responsible and convenient disposal option serving southern Minnesota, northern Iowa, and western Wisconsin. Acceptable materials include; non-hazardous debris resulting from construction, demolition (C&D), and remodeling projects including Asbestos. Leachate is trucked to the Austin Wastewater Treatment Facility. Monitoring is completed with a grab sample taken from a tanker during disposal at the Austin Facility. And sampling is completed quarterly.

The purpose of this ICM is to authorize the discharge of wastewater from the Permittee to the Austin Wastewater Treatment Facility operated by the City; to set forth limitations, conditions, and requirements for the discharge; and to specify the rights and obligations of the parties to this ICM. This agreement is made under the provisions of the City's Ordinance Section 3.30 RULES AND REGULATIONS RELATING TO SEWER USE AND SERVICE CHARGE (Ordinance).

Discharge limitations, monitoring and reporting requirements and all special conditions for this discharge are as follows:

1. Authority

Under the authority of the City's Ordinance and consistent with the conditions of the ordinance, the city agrees to accept and treat the wastewater discharged by Permittee within the limits and in accordance with the conditions set forth in this ICM.

2. Discharge Limits

The Permittee will provide pretreatment to the leachate to meet the following standards. Permittee shall comply with all discharge prohibitions contained in the ordinance and shall limit its discharge to within the following:

a.	<u>Parameter</u>	<u>mg/L</u>	<u>unit</u>
	As	0.06	
	Cd	0.06	
	Cr	1	
	Cu	2	
	Pb	0.5	
	Hg	0.025	
	Mo	0.11	
	Ni	0.6	
	Se	0.15	
	Zn	4	
	pH – maximum		9.0
	pH – minimum		6.0
	TSS	200	
	BOD	200	
	Ammonia (June-Sept)	30	
	Ammonia (Oct.-May)	50	

Pretreatment standards, metals and cyanide are the maximum for any 24-hour period. pH standards are continuous and apply at all times.

b. Flow limits – Permittee may not deliver to the City more than 36,000 gallons/day and an annual amount of approximately 3,000,000 gallons. These amounts may be increased at the discretion of the City with prior authorization on a day-by-day basis.

3. Prohibited Waste Charges:

Prohibited Waste Discharges include, but are not limited to the following:

- a. Flammable, explosive, and corrosive wastes, gasoline, fuel oil, lubricating oil, hydraulic oil, motor oil, or grease;
- b. Wastes that are likely to obstruct the flow within public sewers: grease, fat or oil of animal or vegetable origin, solid wastes, garbage, guts, bones, ash, sand, rags, lime, metal, wood, plastic, glass, or yard wastes;
- c. Wastes that are likely to cause interference, pass-through or operational problems: slug discharges, toxic chemicals, poisons, dyes, or inks;
- d. Wastes that are likely to cause a public nuisance: noxious, malodorous, or foam producing substances;
- e. Cooling water, runoff, and other unpolluted water;
- f. Hazardous wastes, as defined by Minnesota Statutes; and
- g. Wastes generated outside of the City of Austin, unless prior approval is obtained from the City.

4. Monitoring and Reporting:

- a. Sample Collection: The Permittee will construct a leachate collection system that will allow for the storage of leachate. The system design shall include a leachate collection sampling point that is acceptable to the City.
- b. Sampling Frequency: Permittee, will establish a baseline for the leachate by collecting one sample per week for the first quarter, unless an alternative frequency is approved by the City, for the first quarter of generating leachate. Thereafter, Permittee will take one sample per quarter, unless an alternative frequency is approved by the City, for routine monitoring.
- c. Sample Collection: All samples will be collected and submitted to an independent lab. The sampling and submittal shall be done by an approved sampler by the City. All costs for sample testing are the responsibility of the Permittee.
- d. Testing Parameters: All samples shall be tested for the parameters as identified in Appendix 1
- e. Quarterly Testing Report: The Permittee will submit a summary quarterly. The report shall include all testing results and volumes discharged.
- f. The City may approve a modification to any of the above based on sampling results.

5. Discharge Sites:

- a. All loads must be hauled by an approved liquid waste hauler
- b. All waste shall be discharged at a specified manhole at the WWTP
- c. All loads that are discharged shall be verified by a City employee

6. Fee's:

The permittee shall be responsible for the following fees as identified in the City's miscellaneous business operational fees, which are reviewed and adopted on a yearly basis:

- a. Annual Administrative Fee
- b. Sample Collection Fee
- c. Tanker Fee

The permittee shall be responsible for strong waste charges as reviewed and adopted by the City from time to time. These strong waste charges would apply to BOD and TSS.

7. General Permit Conditions:

- a. All discharges into public sewers by the Permittee shall be in accordance with applicable provisions of the Minnesota Pollution Control Agency (MPCA), and City.
- b. The Permittee shall not knowingly make any false statement, representation or certification in any record, report, plan or other document submitted.
- c. This ICM shall not release the Permittee from any liability, duty or penalty imposed by local, state or federal statutes, regulations or license requirements regarding waste disposal.
- d. The Permittee shall take all reasonable precautions to minimize all accidental discharges including prohibited slugs, spills and bypasses.
- e. The Permittee shall pay applicable permit fees, add-on service charges, Strength Charges, Load Charges and all other fees as outlined. Any fees that are over 90 days due by the neglect of the Permittee may result in the termination of this ICM.

- f. This ICM is not exclusive. This ICM shall not release the Permittee from conditions set forth by the MPCA, Department of Health, Minnesota Department of Natural Resources or the community in which the site is located.
- g. This ICM is enforceable under the provisions of the Ordinance. A violation of this ICM may be a violation of the Ordinance and subject to the enforcement provisions of the Ordinance.
- h. Any record or other information obtained by the City or furnished to by the Permittee of one or more SIU's as it applies to wastewater, which are certified by said Permittee, and said certification, as it applies to wastewater is approved in writing by the City to relate to (a) sales figures, (b) processes or methods of production unique to the Permittee (c) information which would tend to affect adversely the competitive position of said Permittee, shall be only for the confidential use of the City in discharging its statutory obligations, unless otherwise specifically authorized by Permittee. Provided, however that all such information may be used by the City in compiling or publishing analysis, reports, or summaries relating to the general condition of the wastewater and how it effects the City's Wastewater Treatment Facility so as long as such analyses or summaries do not identify any owner or operator who has so certified. Notwithstanding the foregoing, the City may disclose any information, whether or not otherwise considered confidential which it is obligated to disclose in order to comply with city state federal laws and regulations, to the extent and for the purpose of such governmentally required disclosure.
- i. The City will be allowed to restrict the time periods that leachate is hauled to the Austin Wastewater Treatment Facility. This restriction will be the result of capacity or loading impacts at the WWTP.
- j. As provided for in the Ordinance, duly authorized employees of the City bearing proper credentials and identification shall be permitted to enter the landfill for the purposes of inspection, observation, measurement, sampling, and testing pertinent to discharge to any public sewer or natural outlet in accordance with the provisions of the Ordinance.
- k. This ICM may be renewed or modified by mutual consent of the City and Permittee. This ICM is not transferable except with the prior written permission of the City and prior agreement in writing to the transfer and all conditions in the ICM by the parties involved.
- l. Permittee is to develop a PFAS Management Plan by July 1st, 2024. The City will then review the PFAS Management Plan and determine the acceptability of said plan. If said PFAS Management Plan is accepted the implementation of the plan must be completed by December 31st, 2025.
- m. This ICM Agreement is subject to review, modification, restriction, or termination in the event The City or its Waste Water Treatment facility or process experiences additional regulatory or statutory standards, whether adopted by the MPCA, the EPA, the Minnesota State Legislature, the Federal Government, or other regulatory agency or institution with authority over the City's Waste Water Treatment facility or process related to any contaminant, byproduct, or substance present in Permittee's leachate when delivered to the City under this ICM Agreement. Said review, modification, restriction, or termination shall be at the City's sole discretion but shall be based on the City's ability to meet any such regulatory or statutory standards with existing facilities and process and at no additional cost to the City.
- n. This ICM expires on December 31, 2025 and is subject to be re-opened at the request of either party.

Agreed to:

City of Austin, Minnesota

WCI Austin Landfill

By: _____

Steve King
Mayor

Date: _____

Date: _____

By: _____

Tom Dankert
City Recorder

Date: _____

Appendix 1
Testing Parameters

Analytical Method (1)	Parameter Description	Minimum Sample Collection Frequency
EPA 613	2,3,7,8 – Tetrachlorodibenzo-p-dioxin	Quarterly
EPA 200.7	Arsenic, Cadmium, Chromium, Copper, Lead, Mercury, Molybdenum, Nickel, Selenium, Zinc, Potassium, Hardness, Calcium, Magnesium, and Sodium	Quarterly
EPA 245.1	Mercury	Quarterly
EPA 8260	Volatile Organic Compounds	Quarterly
EPA 8270	Semi-Volatile Organic Compounds	Quarterly
EPA 8082	Polychlorinated Biphenyls	Quarterly
EPA 8081	Pesticides	Quarterly
HACH 10360	BOD 5 Day	Quarterly
ASTM D516	Sulfate	Quarterly
EPA 120.1	Specific Conductance	Quarterly
SM2320B	Bicarbonates	Quarterly
SM4500CL-E	Chloride	Quarterly
SM2540C	Total Dissolved Solids	Quarterly
SM 2540 D	Total Suspended Solids	Quarterly
SM2540 B	Total Solids	Quarterly
SM4500CN-E	Cyanide	Quarterly
EPA 350.1	Ammonia	Quarterly
EPA 150.1	pH	Quarterly
EPA 537 (3)	PERFLUORINATED COMPOUNDS (PFCS): Perfluorobutane Sulfonate (PFBS) Perfluorodecanoic acid (PFDA) Perfluorododecanoic acid (PFDoA) Perfluoroheptanoic acid (PFHpA) Perfluorohexane Sulfonate (PFHxS) Perfluorohexanoic acid (PFHxA) Perfluorononanoic acid (PFNA) Perfluoroctane Sulfonate (PFOS) Perfluoroctane acid (PFOA) Perfluoropentanoic acid (PFPeA) Perfluoroundecanoic acid (PFUnA) Perfluorobutanioc acid (PFBA) Perfluoroctane sulfonamide (PFOSA)	Quarterly

RESOLUTION NO.

**RESOLUTION AUTHORIZING INDIVIDUAL CONTROL MECHANISM AGREEMENT
BETWEEN THE CITY OF AUSTIN AND WCI LANSING LANDFILL, LLC**

WHEREAS, an agreement has been reached with WCI Lansing Landfill, LLC outlining the terms and conditions for their wastewater discharge is required as part of the city's National Pollution Discharge Elimination System (NPDES) Permit to operate the Wastewater Treatment Plant; and

NOW THEREFORE, BE IT RESOLVED that the City Council approves the agreement as attached in Exhibit A and that such agreement will be effective immediately upon adoption of this resolution and will expire on December 31, 2025.

Passed by a vote of yeas and nays this 17th day of December, 2023.

YEAS

NAYS

ATTEST:

City Recorder

APPROVED:

Mayor

City of Austin
500 Fourth Avenue N.E.
Austin, Minnesota 55912-3773



Steven J. Lang, P.E.
City Engineer/P.W. Director
507-437-9950
Fax 507-437-7101
slang@ci.austin.mn.us

Memorandum

To: Mayor & Council
From: Steven J. Lang, P.E.
Date: December 14, 2023
Subject: Individual Control Mechanism
 Nu-Tek Biosciences, LLC

Nu-Tek Biosciences, LLC is a manufacturer of hydrolyzed plant and yeast proteins used for industrial fermentations. Their facility located in the Creekside Business Park at 1103 27th Avenue NW discharges into the City's sanitary sewer collection system, where it passes through 2 lift stations and 4 miles of sewer pipe to reach the WWTP. The discharge from the facility is regulated by an Individual Control Mechanism (ICM). The ICM sets forth limitations, conditions, and requirements for sanitary sewer discharges. Those items include:

- Flow (quantity of water discharged)
- CBOD (strength of the discharged water)
- TSS (suspended solids)
- TKN (nitrogen)
- pH

City staff tests the effluent from the facility to ensure that it is complying with the limits set in the ICM agreement. The facility is then assessed strong waste charges for strengths that are greater than normal household waste, 200 mg/L. We have worked with the owner to develop these limits for a 18-month interim start up period of the plant. To-date, as the facility works through start-up procedures, we have not developed enough data to create a multi-year agreement. Therefore, we are recommending another short term for this ICM agreement. Following this period, we will reevaluate the limits in hopes of developing a multi-year ICM agreement.

We would recommend approving this short-term ICM discharge agreement with Nu-Tek Biosciences, LLC with an expiration date of June 30th, 2024. If you have any questions, please feel free to contact me.

INDIVIDUAL CONTROL MECHANISM (ICM)
BETWEEN
THE CITY OF AUSTIN
AND
Nu-Tek Biosciences, LLC

The City of Austin (the City) operates a wastewater treatment plant that serves the businesses and citizens located within the City of Austin. The Nu-Tek Bioscience facility located in Austin MN, is a manufacturer of hydrolyzed plant and yeast proteins used for industrial fermentations.

Nu-Tek Biosciences operations include: Mechanical separation, filtration, evaporation, and spray drying. The plant has a 20,000 gallon wet well and another 30,000 gallon tank for wastewater equalization and flow control. There is an additional 30,000 gallon tank to separate high strength waste water if it is generated by the plant.

The purpose of this agreement is to authorize the discharge of wastewater from the permittee to the wastewater Treatment plant operated by the City; to set forth limitations, conditions, and requirements for the discharge; and to specify the rights and obligations of the parties to this agreement. This agreement is made under the provisions of the City Ordinance Sec. 3.30 RULES AND REGULATIONS RELATING TO SEWER USE AND SERVICE CHARGE.

1. Under the authority of the City's ordinance and consistent with the conditions of the ordinance, the City agrees to accept and treat the wastewater discharged from the permittee within the limits and in accordance with the conditions set forth in this ICM.
2. The permittee is allowed to discharge wastewater to the City's wastewater treatment facility. The permittee shall comply with all discharge prohibitions contained in of the City Ordinance Sec. 3.30 RULES AND REGULATIONS RELATING TO SEWER USE AND SERVICE CHARGE, the Minnesota Administrative Rules 7049.0140 pretreatment standards, and shall restrict its discharge to the following limits:

	<u>Maximum Weekly Limit²</u>	<u>Maximum Daily Limit¹</u>	<u>Min. Max.</u>
Flow:		30,000 gpd	
CBOD:	250	lbs/day	
TSS ⁴ :	50	lbs/day	
TKN ⁵ :	50	lbs/day	
pH			6.0 – 10.5

Note 1: The Maximum daily flow limit is based upon flow meter readings.

Note 2: The Maximum weekly limit is calculated over the course of a week by multiplying the concentration (measured one time per week) by the average daily flow. Average daily flow is calculated by dividing total flow since the last reading by the number of days since the last reading.

Note 3: A week is defined as 7 days starting Sunday at 12:00 a.m. to the following Saturday at 11:59 p.m.

Note 4: Solid or viscous substances that may cause an obstruction or interfere with the operation of the lift station or wastewater treatment plant are prohibited.

Note 5: A rate has not been established for this pollutant. If the council adopts a rate for this it will be incorporated into the monthly billings.

3. The City shall monitor the wastewater discharge from the permittee on a weekly basis, or as deemed necessary. All analysis shall be performed by the City. The City will test the effluent at a predetermined location. Effluent samples are a composite sample, except for pH which is measured via grab sample.
4. The permittee will be billed per the City Ordinance § 3.30 RULES AND REGULATIONS RELATING TO SEWER USE AND SERVICE CHARGE, Subd. 9 Sewer Service Charges.
 - a. All wastewater discharged with a strength at or below normal strength domestic wastewater shall be billed monthly for sewer use by Austin Utilities. Sewer flow will be based on Austin Utilities public water meter readings.
 - b. All users which discharge wastewater above the normal strength of domestic wastewater shall be billed at the rates shown in the unit cost figures established by Council resolution. Industrial users that discharge above normal strength domestic wastewater shall be billed monthly based upon the volume of wastewater, the pounds of BOD and the pounds of suspended solids discharged.
 - i. Flow will be based on Austin Utilities public water meter reading.
 - or
 - ii. The Permittee will be responsible to have the flow meter at the monitoring sampling site. The flow meter is to be calibrated two times per year by a third party. Flow meter certification shall be provided to the City of Austin's pretreatment advisor following each calibration. Flows will be read by city staff. It is the owner's responsibility to maintain the meter in accurate operating condition. When flow meter is not working, flow will be based on Austin Utilities public water meter readings.
5. As provided in the ordinance, duly authorized employees of the City bearing proper credentials and identification shall be permitted to enter Nu-Tek Biosciences for the purposes of inspection, observation, measurement, sampling, and testing pertinent to discharge to any public sewer or natural outlet in accordance with the provisions of the ordinance.
6. The Permittee shall take all reasonable precautions to minimize all accidental discharges including prohibited slugs, spills and bypasses.
7. The permittee shall notify the City immediately by phone and within (7) days in writing, of any spill or slug discharge which may violate the limits specified in this ICM.
8. The City will require the permittee to cease discharging to the sanitary sewer should the lift station or sanitary sewer system experience mechanical or structural failure or if high water flow conditions interfere with the conveyance of sewage or operation of the treatment facility.
9. Any record or other information obtained by the City or furnished to by the permittee as it applies to wastewater, which are certified by said permittee, and said certification, as it applies to wastewater is approved in writing by the city to relate to (a) sales figures, (b) processes or methods of production unique to the permittee, or (c) information which would tend to affect adversely the competitive position of said permittee, shall be only for the confidential use of the City in discharging its statutory obligations, unless otherwise specifically authorized by said owner or operator. Provided, however that all such information may be used by the City in compiling or publishing analysis, reports, or summaries relating to the general condition of the wastewater and how it effects the city's wastewater treatment facility so as long as such analyses or summaries do not identify permittee who has so certified. Notwithstanding the foregoing, the City may disclose any information, whether or not otherwise considered confidential which it is obligated to disclose in

order to comply with city state federal laws and regulations, to the extent and for the purpose of such governmentally required disclosure.

10. This ICM is not exclusive. This ICM shall not release the Permittee from conditions set forth by the Minnesota Pollution Control Agency, Minnesota Department of Health, Minnesota Department of Natural Resources or the community in which the site is located
11. This ICM is enforceable under the provisions of the ordinance. A violation of this ICM shall be a violation of the ordinance and subject to the enforcement provisions of the ordinance.
12. The ICM shall not release the Permittee from any liability, duty or penalty imposed by local, state or federal statutes, regulations or license requirements regarding waste disposal.
13. The Permittee shall pay all fees related to this ICM agreement within 30 days to avoid penalties. Any fees that are over 90 days due by the neglect of the Permittee may result in the termination of this ICM.
14. The ICM may be renewed or modified by mutual consent of the City, and permittee. This ICM is not transferable except with the prior written permission of the City and prior agreement in writing to the transfer and all conditions in the ICM by the parties involved.
15. This ICM Agreement is subject to review, modification, restriction, or termination in the event The City or its Waste Water Treatment facility or process experiences additional regulatory or statutory standards, whether adopted by the MPCA, the EPA, the Minnesota State Legislature, the Federal Government, or other regulatory agency or institution with authority over the City's Waste Water Treatment facility or process related to any contaminant, byproduct, or substance present in Permittee's effluent when delivered to the City under this ICM Agreement. Said review, modification, restriction, or termination shall be at the City's sole discretion but shall be based on the City's ability to meet any such regulatory or statutory standards with existing facilities and process and at no additional cost to the City.
16. This agreement expires on June 30th, 2024 and is subject to be re-opened at the request of either party.

Agreed to:

City of Austin, Minnesota

Thomas Yezzi

By: _____
Steve King
Mayor

By: _____

Date: _____

Date: _____

By: _____
Tom Dankert
City Recorder

Date: _____

RESOLUTION NO.

**RESOLUTION AUTHORIZING INDIVIDUAL CONTROL MECHANISM AGREEMENT
BETWEEN THE CITY OF AUSTIN AND NU-TEK BIOSCIENCES, LLC**

WHEREAS, an agreement with Nu-Tek Biosciences, LLC has been reached outlining the terms and conditions for their wastewater discharges as part of the city's National Pollution Discharge Elimination System (NPDES) Permit to operate the Wastewater Treatment Plant.

NOW, THEREFORE, BE IT RESOLVED that the City Council approves the agreement attached in Exhibit A and that such agreement will be effective immediately upon adoption of this resolution and will expire on June 30, 2024.

Passed by a vote of yeas and nays this 18th day of December, 2023.

YEAS

NAYS

ATTEST:

APPROVED:

City Recorder

Mayor

**City of Austin
500 Fourth Avenue N.E.
Austin, Minnesota 55912-3773**



**Steven J. Lang, P.E.
City Engr./Public Works Dir.
507-437-9949
Fax 507-437-7101
slang@ci.austin.mn.us**

Memorandum

To: Mayor & Council
From: Steven J. Lang, P.E.
Date: December 14, 2023
Subject: G&R Truck Wash

G&R Truck Wash discharges sanitary sewer from their location at 501-11th Street NE to the WWTP - Domestic Plant. The discharge from the facility is regulated by an Individual Control Mechanism (ICM). The ICM sets forth limitations, conditions, and requirements for sanitary sewer discharges. Those items include:

- Flow (quantity of water discharged)
- CBOD (strength of the discharged water)
- TSS (suspended solids)
- TKN (nitrogen)
- pH

The WWTP staff work very closely with staff at G&R Truck Wash to monitor flow and strength. We conduct routine inspections of the facility and recommend improvements that could be made to help the company stay within the parameters of the ICM agreement.

Attached is three-year ICM, which is consistent with the previous agreement. I would recommend extending a three-year agreement which would expire December 31st, 2026 for G&R Truck Wash, Ltd. If you have any questions, please feel free to contact me.

INDIVIDUAL CONTROL MECHANISM (ICM)
BETWEEN
THE CITY OF AUSTIN
AND
G&R TRUCK WASH, LTD.

The City of Austin (City) operates a wastewater treatment plant that serves the businesses and citizens located within the City of Austin. G&R Truck Wash, Ltd. (G&R or permittee) operates a truck washing facility located in Austin that proposes to discharge approximately 25,000 gallons per day of wastewater. The main function of this business is cleaning trucks that haul livestock.

G&R Truck Wash: Is a tractor trail cleanout, primarily services hog trailers from Hormel Foods Corporation. G&R's pretreatment consists of a rotary screen pumped to DAF unit into the sewer main. The monitoring point for G&R is a manhole in the street. Sampling is done weekly by the City of Austin Wastewater Treatment Facility, and a grab sample is done to pH the effluent. G&R Truck Wash's violations are primarily the result of high Flow.

The purpose of this agreement is to authorize the discharge of wastewater from the permittee to the wastewater Treatment plant operated by the City; to set forth limitations, conditions and requirements for the discharge; and to specify the rights and obligations of the parties to this agreement. This agreement is made under the provisions of the City Ordinance Sec. 3.30 RULES AND REGULATIONS RELATING TO SEWER USE AND SERVICE CHARGE.

1. Under the authority of the City's ordinance and consistent with the conditions of the ordinance, the City agrees to accept and treat the wastewater discharged from the permittee within the limits and in accordance with the conditions set forth in this ICM.
2. The permittee is allowed to discharge wastewater to the City's wastewater treatment facility. The permittee shall comply with all discharge prohibitions contained in of the City Ordinance Sec. 3.30 RULES AND REGULATIONS RELATING TO SEWER USE AND SERVICE CHARGE, the Minnesota Administrative Rules 7049.0140 pretreatment standards, and shall restrict its discharge to the following limits:

	<u>Average Daily²</u>	<u>Maximum Monthly³</u>	<u>Min. Max.</u>
Flow ¹ :	25,000 gpd	30,000 gpd	
CBOD:	195 lbs/day	300 lbs/day	
TSS ⁵ :	300 lbs/day	400 lbs/day	
TKN ⁶ :	30 lbs/day	45 lbs/day	
pH			6.0 – 9.0

Note 1: The daily flow for a week is calculated by dividing total flow since the last reading by the number of days since the last reading.

Note 2: The average daily limit is calculated by averaging the daily flow for each of the weeks in that month.

Note 3: The maximum monthly limit is based off the highest daily flow for each of the weeks in that month.

Note 4: A week is defined as 7 days starting Sunday at 12:00 a.m. to the following Saturday at 11:59 p.m.

Note 5: Solid or viscous substances that may cause an obstruction or interfere with the operation of the lift station or wastewater treatment plant are prohibited.

Note 6: A rate has not been established for this pollutant. If the council adopts a rate for this it will be incorporated into the monthly billings.

3. The City shall monitor the wastewater discharge from the permittee on a weekly basis, or as deemed necessary. All analysis shall be performed by the City. The City will test the effluent at a predetermined location. Effluent samples are a composite sample, except for pH which is measured via grab sample.

4. The permittee will be billed per the City Ordinance § 3.30 RULES AND REGULATIONS RELATING TO SEWER USE AND SERVICE CHARGE, Subd. 9 Sewer Service Charges.
 - a. All wastewater discharged with a strength at or below normal strength domestic wastewater shall be billed monthly for sewer use by Austin Utilities. Sewer flow will be based on Austin Utilities public water meter readings.
 - b. All users which discharge wastewater above the normal strength of domestic wastewater shall be billed at the rates shown in the unit cost figures established by Council resolution. Industrial users that discharge above normal strength domestic wastewater shall be billed monthly based upon the volume of wastewater, the pounds of BOD and the pounds of suspended solids discharged.
 - i. Flow will be based on Austin Utilities public water meter reading.
- or
- ii. The Permittee will be responsible to have the flow meter at the monitoring sampling site. The flow meter is to be calibrated two times per year by a third party. Flow meter certification shall be provided to the City of Austin's pretreatment advisor following each calibration. Flows will be read by city staff on a weekly basis. It is the owner's responsibility to maintain the meter in accurate operating condition. When flow meter is not working, flow will be based on Austin Utilities public water meter readings.
5. As provided in the ordinance, duly authorized employees of the City bearing proper credentials and identification shall be permitted to enter G&R for the purposes of inspection, observation, measurement, sampling, and testing pertinent to discharge to any public sewer or natural outlet in accordance with the provisions of the ordinance.
6. The Permittee shall take all reasonable precautions to minimize all accidental discharges including prohibited slugs, spills and bypasses.
7. The permittee shall notify the City immediately by phone and within (7) days in writing, of any spill or slug discharge which may violate the limits specified in this ICM.
8. The City will require the permittee to cease discharging to the sanitary sewer should the lift station or sanitary sewer system experience mechanical or structural failure or if high water flow conditions interfere with the conveyance of sewage or operation of the treatment facility.
9. Any record or other information obtained by the City or furnished to by the permittee as it applies to wastewater, which are certified by said permittee, and said certification, as it applies to wastewater is approved in writing by the city to relate to (a) sales figures, (b) processes or methods of production unique to the permittee, or (c) information which would tend to affect adversely the competitive position of said permittee, shall be only for the confidential use of the City in discharging its statutory obligations, unless otherwise specifically authorized by said owner or operator. Provided, however that all such information may be used by the City in compiling or publishing analysis, reports, or summaries relating to the general condition of the wastewater and how it effects the city's wastewater treatment facility so as long as such analyses or summaries do not identify permittee who has so certified. Notwithstanding the foregoing, the City may disclose any information, whether or not otherwise considered confidential which it is obligated to disclose in order to comply with city state federal laws and regulations, to the extent and for the purpose of such governmentally required disclosure.
10. This ICM is not exclusive. This ICM shall not release the Permittee from conditions set forth by the Minnesota Pollution Control Agency, Minnesota Department of Health, Minnesota Department of Natural Resources or the community in which the site is located

11. This ICM is enforceable under the provisions of the ordinance. A violation of this ICM shall be a violation of the ordinance and subject to the enforcement provisions of the ordinance.
12. The ICM shall not release the Permittee from any liability, duty or penalty imposed by local, state or federal statutes, regulations or license requirements regarding waste disposal.
13. The Permittee shall pay all fees related to this ICM agreement within 30 days to avoid penalties. Any fees that are over 90 days due by the neglect of the Permittee may result in the termination of this ICM.
14. The ICM may be renewed or modified by mutual consent of the City, and permittee. This ICM is not transferable except with the prior written permission of the City and prior agreement in writing to the transfer and all conditions in the ICM by the parties involved.
15. This agreement expires on December 31st, 2026 and is subject to be re-opened at the request of either party.

Agreed to:

City of Austin, Minnesota

G & R Truck Wash, Ltd.

By: _____ By: _____
Steve King
Mayor

Date: _____ Date: _____

By: _____
Tom Dankert
City Recorder

Date: _____

RESOLUTION NO.

**RESOLUTION AUTHORIZING INDIVIDUAL CONTROL MECHANISM AGREEMENT
BETWEEN THE CITY OF AUSTIN AND G&R TRUCK WASH**

WHEREAS, an agreement with G & R Truck Wash outlining the terms and conditions for their wastewater discharge is required as part of the city's National Pollution Discharge Elimination System (NPDES) Permit to operate the Wastewater Treatment Plant; and

NOW THEREFORE, BE IT RESOLVED that the City Council approves the agreement as attached in Exhibit A and that such agreement will be effective immediately upon adoption of this resolution and will expire on December 31, 2026.

Passed by a vote of yeas and nays this 18th day of December, 2023.

YEAS

NAYS

ATTEST:

City Recorder

APPROVED:

Mayor

City of Austin
500 Fourth Avenue N.E.
Austin, Minnesota 55912-3773



Steven J. Lang, P.E.
City Engineer/P.W. Director
507-437-9950
Fax 507-437-7101
slang@ci.austin.mn.us

Memorandum

To: Mayor & Council
From: Steven J. Lang, P.E.
Date: December 14, 2023
Subject: Individual Control Mechanism
 International Paper Modification

International Paper owns and operates a paper and packaging products plant located adjacent to the NE Industrial Park at 1900-8th Drive NE. The discharge from the facility is regulated by an Individual Control Mechanism (ICM). The ICM sets forth limitations, conditions, and requirements for sanitary sewer discharges. Those items include:

- Flow (quantity of water discharged)
- CBOD (strength of the discharged water)
- TSS (suspended solids)
- TKN (nitrogen)
- pH

City staff tests the effluent from the business to ensure that it is complying with the limits set in the ICM agreement. The business is then assessed strong waste charges for strengths that are greater than normal household waste, 200 mg/L.

We are currently completing year-one of a 3-year ICM agreement and have elected to open the agreement to include PFAS testing. Language has been added to the ICM to require quarterly testing for the Perfluorinated Family of Compounds. Overtime if the PFCS tests show no detect the testing cycles will be modified accordingly.

Attached is the existing three-year ICM agreement, with an expiration date of December 31st, 2025, and modifications to include PFCS quarterly testing. We would recommend approval of the ICM agreement. If you have any questions, please feel free to contact me.

**INDIVIDUAL CONTROL MECHANISM (ICM)
BETWEEN
THE CITY OF AUSTIN
AND
INTERNATIONAL PAPER**

The City of Austin (the City) operates a wastewater treatment plant that serves the businesses and citizens located within the City of Austin. International Paper operates a manufacturing facility located in Austin that proposes to discharge approximately 20,000 gallons per day of wastewater.

International Paper: A box producer/printing company located at 1900-8th Drive NE, Austin, MN. International Paper does not have any means of pretreatment

The purpose of this agreement is to authorize the discharge of wastewater from the permittee to the wastewater Treatment plant operated by the City; to set forth limitations, conditions and requirements for the discharge; and to specify the rights and obligations of the parties to this agreement. This agreement is made under the provisions of the City Ordinance Sec. 3.30 RULES AND REGULATIONS RELATING TO SEWER USE AND SERVICE CHARGE.

1. Under the authority of the City's ordinance and consistent with the conditions of the ordinance, the City agrees to accept and treat the wastewater discharged from the permittee within the limits and in accordance with the conditions set forth in this ICM.
2. The permittee is allowed to discharge wastewater to the City's wastewater treatment facility. The permittee shall comply with all discharge prohibitions contained in of the City Ordinance Sec. 3.30 RULES AND REGULATIONS RELATING TO SEWER USE AND SERVICE CHARGE, the Minnesota Administrative Rules 7049.0140 pretreatment standards, and shall restrict its discharge to the following limits:

	<u>Average Daily²</u>	<u>Maximum Monthly³</u>	<u>Min. Max.</u>
Flow ¹ :	20,000 gpd	25,000 gpd	
CBOD:	100 lbs/day	167 lbs/day	
TSS ⁵ :	500 lbs/day	834 lbs/day	
TKN ⁶ :	100 lbs/day	167 lbs/day	
pH			6.0 – 11.0
PFOS ⁷ :	Monitor Only	Monitor Only	

Note 1: The daily flow for a week is calculated by dividing total flow since the last reading by the number of days since the last reading.

Note 2: The average daily limit is calculated by averaging the daily flow for each of the weeks in that month.

Note 3: The maximum monthly limit is based off the highest daily flow for each of the weeks in that month.

Note 4: A week is defined as 7 days starting Sunday at 12:00 a.m. to the following Saturday at 11:59 p.m.

Note 5: Solid or viscous substances that may cause an obstruction or interfere with the operation of the lift station or wastewater treatment plant are prohibited.

Note 6: A rate has not been established for this pollutant. If the council adopts a rate for this it will be incorporated into the monthly billings.

Note 7: PFOS to be tested quarterly. Sample collected by the City of Austin from manhole, analysis to be done by third party laboratory. Cost of testing will be billed quarterly to International Paper.

3. The City shall monitor the wastewater discharge from the permittee on a weekly basis, or as deemed necessary. All analysis shall be performed by the City. The City will test the effluent at a manhole between the factory and the city sewer main. Effluent samples are a composite sample, except for pH which is measured via grab sample.
4. The permittee will be billed per the City Ordinance § 3.30 RULES AND REGULATIONS RELATING TO SEWER USE AND SERVICE CHARGE, Subd. 9 Sewer Service Charges.
 - a. All wastewater discharged with a strength at or below normal strength domestic wastewater shall be billed monthly for sewer use by Austin Utilities. Sewer flow will be based on Austin Utilities public water meter readings.
 - b. All users which discharge wastewater above the normal strength of domestic wastewater shall be billed at the rates shown in the unit cost figures established by Council resolution. Industrial users that discharge above normal strength domestic wastewater shall be billed monthly based upon the volume of wastewater, the pounds of BOD and the pounds of suspended solids discharged.
 - i. The Permittee will be responsible to have the flow meter at the monitoring sampling site. The flow meter is to be calibrated two times per year by a third party. Flow meter certification shall be provided to the City of Austin's pretreatment advisor following each calibration. Flows will be read by city staff on a weekly basis. It is the owner's responsibility to maintain the meter in accurate operating condition. When flow meter is not working, flow will be based on Austin Utilities public water meter readings.
5. As provided in the ordinance, duly authorized employees of the City bearing proper credentials and identification shall be permitted to enter International Paper for the purposes of inspection, observation, measurement, sampling, and testing pertinent to discharge to any public sewer or natural outlet in accordance with the provisions of the ordinance.
6. The Permittee shall take all reasonable precautions to minimize all accidental discharges including prohibited slugs, spills and bypasses.
7. The permittee shall notify the City immediately by phone and within (7) days in writing, of any spill or slug discharge which may violate the limits specified in this ICM.
8. The City will require the permittee to cease discharging to the sanitary sewer should the lift station or sanitary sewer system experience mechanical or structural failure or if high water flow conditions interfere with the conveyance of sewage or operation of the treatment facility.
9. Any record or other information obtained by the City or furnished to by the permittee as it applies to wastewater, which are certified by said permittee, and said certification, as it applies to wastewater is approved in writing by the city to relate to (a) sales figures, (b) processes or methods of production unique to the permittee, or (c) information which would tend to affect adversely the competitive position of said permittee, shall be only for the confidential use of the City in discharging its statutory obligations, unless otherwise specifically authorized by said owner or operator. Provided, however that all such information may be used by the City in compiling or publishing analysis, reports, or summaries relating to the general condition of the wastewater and how it effects the city's wastewater treatment facility so as long as such analyses or summaries do not identify permittee who has so certified. Notwithstanding the foregoing, the City may disclose any information, whether or not otherwise considered confidential which it is obligated to disclose in order to comply with city state federal laws and regulations, to the extent and for the purpose of such governmentally required disclosure.

10. This ICM is not exclusive. This ICM shall not release the Permittee from conditions set forth by the Minnesota Pollution Control Agency, Minnesota Department of Health, Minnesota Department of Natural Resources or the community in which the site is located
11. This ICM is enforceable under the provisions of the ordinance. A violation of this ICM shall be a violation of the ordinance and subject to the enforcement provisions of the ordinance.
12. The ICM shall not release the Permittee from any liability, duty or penalty imposed by local, state or federal statutes, regulations or license requirements regarding waste disposal.
13. The Permittee shall pay all fees related to this ICM agreement within 30 days to avoid penalties. Any fees that are over 90 days due by the neglect of the Permittee may result in the termination of this ICM.
14. The ICM may be renewed or modified by mutual consent of the City, and permittee. This ICM is not transferable except with the prior written permission of the City and prior agreement in writing to the transfer and all conditions in the ICM by the parties involved.
15. This ICM Agreement is subject to review, modification, restriction, or termination in the event The City or its Waste Water Treatment facility or process experiences additional regulatory or statutory standards, whether adopted by the MPCA, the EPA, the Minnesota State Legislature, the Federal Government, or other regulatory agency or institution with authority over the City's Waste Water Treatment facility or process related to any contaminant, byproduct, or substance present in Permittee's leachate when delivered to the City under this ICM Agreement. Said review, modification, restriction, or termination shall be at the City's sole discretion but shall be based on the City's ability to meet any such regulatory or statutory standards with existing facilities and process and at no additional cost to the City.
16. This agreement expires on December 31st, 2025 and is subject to be re-opened at the request of either party.

Agreed to:

City of Austin, Minnesota

International Paper

By: _____

Steve King
Mayor

Date: _____

By: _____


Felipe A. Juarez

Date: 12/12/2023

By: _____

Tom Dankert
City Recorder

Date: _____

RESOLUTION NO.

**RESOLUTION AUTHORIZING INDIVIDUAL CONTROL MECHANISM AGREEMENT
BETWEEN THE CITY OF AUSTIN AND INTERNATIONAL PAPER**

WHEREAS, an agreement has been reached with International Paper outlining the terms and conditions for their wastewater discharge is required as part of the city's National Pollution Discharge Elimination System (NPDES) Permit to operate the Wastewater Treatment Plant; and

NOW THEREFORE, BE IT RESOLVED that the City Council approves the agreement as attached in Exhibit A and that such agreement will be effective immediately upon adoption of this resolution and will expire on December 31, 2025.

Passed by a vote of yeas and nays this 18th day of December, 2023.

YEAS

NAYS

ATTEST:

City Recorder

APPROVED:

Mayor

RESOLUTION NO.

ACCEPTING DONATIONS TO THE CITY OF AUSTIN

WHEREAS, the City has received gift as follows:

Gift	Donor	For
\$20	Richard Lees	Police Weight Room
\$2,500	B. Schindler	Cross Country Ski Program
\$11,716.26	Mn Eats / Mower County SHIP Grant	Healthy foods/supplies /concessions

NOW THEREFORE, BE IT RESOLVED that the Austin City Council accepts said gifts to the City of Austin.

Passed by a vote of yeas and nays this 18th day of December, 2023.

YEAS

NAYS

ATTEST:

APPROVED:

City Recorder

Mayor

City of Austin
500 4th Avenue NE
Austin, MN 55912
507-437-9940
www.ci.austin.mn.us



Tricia Wiechmann
Human Resources Director
507-437-9942
twiechma@ci.austin.mn.us

MEMORANDUM

TO: Mayor and City Council

FROM: Tricia Wiechmann
 Human Resources Director

RE: 2024 Seasonal, Temporary and Part-time Wage Rates

DATE: December 12, 2023

Annually we review the wage rates for our seasonal, temporary and part-time employees and adjust them as necessary based on positions, duties and in some cases, the ability to fill open seasonal positions and be competitive within the job market.

The attached resolution has been updated based on input from the various impacted departments and the minimum wage increase to \$10.85, effective January 1, 2024. Additionally, any proposed wage rates will be incorporated into each department's annual budget.

One area of discussion has been #4 – Employee wage increase policy. As this provision indicates, employees, may receive up to a .50¢ an hour increase, but only after working a complete year/season, until reaching the maximum wage rate in the corresponding level, or as provided for within the department budget, which from time to time may be lower than the top wage rate listed.

There were a couple Department Head requests to remove this piece from the resolution and allow placement at their discretion; however, after further internal review along with a review of how other communities handle returning employees, it was determined that it's best to keep this provision in place. The provision provides guidelines in providing consistency among all employees and departments and avoids more arbitrary increases.

The resolution does provide for flexibility and deviation from the identified pay scale guidelines, if necessary, in situations such as having individuals with relevant experience or situations where departments aren't able to find the necessary number of employees to fill specific positions. If it is believed that market demand requires an increase of greater than .50¢ an hour this can be reviewed on a case-by-case basis with the City Administrator and Human Resources Director for accommodation.

If you have any questions, please feel free to contact me.

RESOLUTION NO.

Resolution Setting Positions and Policy for the Administration of Wage Rates of Seasonal, Temporary and Part-time Positions Not Covered by a Labor Agreement

WHEREAS, the City of Austin employs individuals in seasonal, temporary and part-time positions up to 40 hours per week; and

WHEREAS, the City of Austin employs individuals on a regular part-time basis; and

WHEREAS, the City of Austin wishes to designate the positions and set wage rates for the designated functions; and

WHEREAS, the employment of individuals in seasonal, temporary and part-time positions not covered by a labor agreement shall comply with Council-adopted authorization and policy; and

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Austin, Minnesota that:

1. The following positions are authorized and approved, provided the positions have been funded by the annual budget of the city, by the Council, for each filled position in an amount sufficient for the allocated hours at the wage within each level.

Level I – \$11.00 – \$14.00/hr.

Office Assistant	Concession Stand Attendant	Street Laborers
Park Maintenance	Recreation Instructor	Arena Supervisor
Ski Rental Attendant	Outside Ice Rink Attendant	Library Page

Level II – \$12.00 – \$16.00/hr.

Swim Lesson Instructor	Lifeguard and Sub – Lifeguard	Flower Maintenance
Nature Center Custodian	Library Clerk	Arena Supervisor/Ice Resurface
Weed Inspector	Concession Stand Supervisor – (top \$15.00/hr.)	Crossing Guard – (top \$14.00/hr.)
Arena Building Custodian (lead)		

Level III – Special Services

Cable TV Programmer/recorder – \$12.00 – \$15.00/hr.
Election Judge – \$12.00/hr.; Head Election Judge – \$15.00/hr.
Nature Center Intern & Seasonal Naturalist – \$13.00 – \$16.00/hr.
Park & Recreation Assistant – \$13.00 – \$16.00/hr.
Engineering Technician – \$14.00 – \$17.00/hr.
Pool Manager – \$14.00 – \$17.00/hr.
Recreation Officials – \$20.00 – \$25.00/hr.
Paid On-Call Firefighter, initial training period – \$10.85/hr.
Paid On-Call Firefighter, after initial training – \$20.00/hr.
Part-time Substitute Librarian – \$22.00/hr.
Board of Review – \$25.00/hr.

2. Supervisors do have the ability to pay less than the minimum wage established within each level for any newly hired seasonal, temporary or part-time employee. However, the minimum wage will not be less than State of Minnesota minimum wage standard, which for 2024 is \$10.85.
3. Seasonal, temporary or part-time employees, covered under this resolution, who change positions, at any time during their employment, shall receive the corresponding wage, for the position that they are actively working, according to the guidelines approved by this resolution, and as provided for within the department budget.
4. Employee wage increase policy – seasonal, temporary or part-time employees, covered under this resolution, may receive up to a .50¢ an hour increase after working a complete year/season of service with the city, until reaching the maximum wage rate allowed per corresponding level, or as provided for within the department budget.
5. Positions not specifically listed, will be placed at the wage scale of the position with duties that best represents the position not identified.
6. Individuals with relevant experience, may be advanced to a higher wage rate in the appropriate level as determined and reviewed by the department head and Human Resources Director.
7. All individuals employed in these positions shall be placed on the city employee payroll in accordance with the requirements of the Human Resources and Finance Departments.
8. If departments are not able to find the necessary number of employees to fill specific positions, the department head will review this with the City Administrator and Human Resources Director for deviation from the identified pay scale guidelines. These petitions will be reviewed on a case-by-case basis.
9. The minimum wage identified in Level I, will not be less than \$10.85, to be in compliance with the 2024 State of Minnesota minimum wage standard.
10. These positions and wage ranges shall be in effect from January 1, 2024 until changed by the City Council.

Passed by a vote of Yeas and Nays this 18th of December 2023

Yea

Nay

ATTEST:

City Recorder

APPROVED:

Mayor

City of Austin
500 4th Avenue NE
Austin, MN 55912
507-437-9940
www.ci.austin.mn.us



Tricia Wiechmann
Human Resources Director
507-437-9942
twiechma@ci.austin.mn.us

MEMORANDUM

TO: Mayor and City Council

FROM: Tricia Wiechmann, Human Resources Director

RE: Approval of Updated Handbook Policy – Earned Sick and Safe Time

DATE: December 13, 2023

Effective January 1, 2024, Minnesota's earned sick and safe time (ESST) law requires employers to provide earned sick and safe paid leave to employees who work in Minnesota. Employers must provide each employee in Minnesota with one hour of ESST for every 30 hours worked, with the ability to accumulate at least 48 hours of ESST each year.

An employee, under this law, is anyone who works at least 80 hours in a year for an employer in Minnesota, but does not include independent contractors. Seasonal, temporary and part-time employees, including paid on-call firefighters are covered under this law. This law does not apply to elected officials.

Current regular and permanent part-time employees working a minimum of 20 hours or more a week are currently eligible and accrue sick leave benefits which meet or exceed the requirements of this law. They will continue to accrue these sick leave benefits (now sick and safe leave benefits), at the same level of accrual; no additional sick and safe time will be accrued beyond their current benefit level. Other employees working less than 20 hours per week along with seasonal and temporary employees and paid on-call firefighters are now eligible and will start accruing ESST time effective January 1, 2024.

The proposed Earned Sick and Safe leave policy will replace the city's current sick leave policy in its entirety. As a result, the city's sick leave policy is being expanded to include all the provisions of the earned sick and safe time law.

At this time, there isn't a requirement for the city to meet and confer or for labor agreements to be rewritten, the language of sick leave vs. sick and safe leave can be cleaned up at the expiration of current contracts. Nothing in sections 181.9445 to 181.9448 of the Statute shall change the obligation of the City to comply with any collective bargaining agreement, or benefit program that meets or exceeds, that does not otherwise conflict with, the minimum standards and requirements provided in this section.

The city's payroll software will calculate and track usage on employee pay stubs. This policy has been reviewed by the City Attorney and finance department for implementation. Upon approval, this will be provided to all city employees, along with the required Department of Labor notification. This will also be available on the City's Intranet.

Thank you for your consideration, and please let me know if you have any questions.

Earned Sick and Safe Time Leave

Purpose

To provide an employee time off with pay for an illness, doctor's appointments, short-term disability and to comply with Minnesota Statute Chapter 181.

Policy

Sick and safe is paid time off earned by eligible employees at an accrual rate defined by this policy. It is the intent of this policy to follow and be in compliance with the requirements of the law and if there are changes in the law, this policy will be assumed to have been amended consistent with those changes. The hourly rate of sick and safe time is the same hourly rate an employee earns from employment with the City.

Sick and safe leave applies to all employees (including non-benefited employees, which includes seasonal, temporary and paid on-call firefighters), apart from elected officials, performing work for at least 80 hours in a year for the City. For the purposes of this policy, the 12-month period is calculated using a calendar year.

Accrual Rate

Regular fulltime employees working 40 hours per week will accrue 8 hours of sick and safe leave per month of service, for a total of 96 hours per calendar year, or pro-rated as necessary, based on a 2,080-hour work year.

Regular fulltime employees working a 2,912-hour regularly scheduled work year, will accrue sick and safe leave at the rate of 11.2 hours per month of service, for a total of 134.4 hours per year, or pro-rated as necessary, based on a 2,912-hour work year. This amount is based on a 1.4 multiplier (2912/2080).

Regular, permanent part-time employees working a minimum of 20 hours per week and less than 40 hours per week, will accrue a pro-rated accrual based on the fulltime employee accrual amount of sick and safe leave, but not less than the equivalent of 1 hour for every 30 hours worked.

All other non-benefited employees, including seasonal, temporary and paid on-call firefighters who work at least 80 hours in a year for the City, will accrue 1 hour of sick and safe leave for every 30 hours worked, up to a maximum of 48 hours of sick and safe leave per year. The use of sick and safe leave hours will not count as hours worked.

Upon separation from employment, sick and safe leave previously accrued but not used will not be paid out. However, when there is a separation from employment with the City and the employee is rehired again within 180 days of separation, previously accrued sick and safe leave that had not been used will be reinstated. An employee is entitled to use and accrue sick and safe leave at the commencement of reemployment.

For regular fulltime and permanent part-time employees working at least 20 hours per week, sick and safe leave hours or a portion thereof shall be posted to the employees' sick and safe leave account each pay period, over the course of 24 pay periods.

All other non-benefited employees, including seasonal, temporary and paid on-call firefighters who work at least 80 hours in a year for the City, sick and safe leave hours or a portion thereof shall be posted to the employees' sick and safe leave account every pay period.

Maximum Accruals

Regular fulltime employees working 40 hours per week and regular, permanent part-time employees working a minimum of 20 hours per week and less than 40 hours per week, have no limit as to the number of sick and safe hours that may be accrued.

All other non-benefited employees, including seasonal, temporary and paid on-call firefighters who work at least 80 hours in a year for the City, are eligible for carry over accrued but unused sick and safe leave into the following year, but the total of sick and safe leave carryover hours shall not exceed 80 hours.

Sick and Safe Leave Notice and Usage

Sick and safe leave may be used as it is accrued in the smallest increment of time tracked by the City's payroll system, of fifteen-minute increments. Employees shall properly designate the usage of sick and safe time on their time sheet. The method of using accumulated sick and safe leave hours will be based on the first-in-first-out method.

If the need for sick and safe leave is foreseeable, the City requires seven days' advance notice. However, if the need is unforeseeable, employees must provide notice of the need for sick and safe leave as soon as practicable.

Eligible Uses

An employee may use accrued sick and safe time for:

- A) An employee's:
 - Mental or physical illness, injury or other health condition.
 - Need for medical diagnosis, care or treatment, of a mental or physical illness injury or health condition.
 - Need for preventative care.
- B) Care of a family member:
 - With mental or physical illness, injury or other health condition.
 - Who needs medical diagnosis, care or treatment of a mental or physical illness, injury or other health condition.
 - Who needs preventative medical or health care.
- C) Absence due to domestic abuse, sexual assault, or stalking of the employee or employee's family member, provided the absence is to:
 - Seek medical attention related to physical or psychological injury or disability caused by domestic abuse, sexual assault, or stalking.
 - Obtain services from a victim services organization.
 - Obtain psychological or other counseling.
 - Seek relocation or take steps to secure an existing home due to domestic abuse, sexual assault or stalking.
 - Seek legal advice or take legal action, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from domestic abuse, sexual assault, or stalking.

- D) Closure of the employee's place of business due to weather or another public emergency or an employee's need to care for a family member whose school or place of care has been closed due to weather or another public emergency.
- E) The employee's inability to work or telework because the employee is:
 - Prohibited from working by the City due to health concerns related to the potential transmission of a communicable illness related to a public emergency; or
 - Seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, a communicable disease related to a public emergency and the employee has been exposed to a communicable disease or the City has requested a test or diagnosis.
- F) When it has been determined by the health authorities having jurisdiction or by a health care professional that the presence of the employee or family member of the employee in the community would jeopardize the health of others because of the exposure of the employee or family member of the employee to a communicable disease, whether the employee or family member has contracted the communicable disease.
- G) Any other reasons required by law.

For sick and safe leave purposes, family member is defined as an employee's:

- Spouse or registered domestic partner
- Child, foster child, adult child, legal ward, child for whom the employee is legal guardian, or child to whom the employee stands or stood in loco parentis
- Sibling, step sibling or foster sibling
- Biological, adoptive or foster parent, stepparent or a person who stood in loco parentis when the employee was a minor child
- Grandchild, foster grandchild or step grandchild
- Grandparent or step grandparent
- A child of a sibling of the employee
- A sibling of the parent of the employee
- A child-in-law or sibling-in-law
- Any of the above family members of a spouse or registered domestic partner
- Any other individual related by blood or whose close association with the employee is the equivalent of a family relationship
- Up to one individual annually designated by the employee

Other Acceptable Uses

Regular fulltime and permanent part-time employees are also permitted to use sick and safe leave for the following items:

- Up to \$750 worth of accrued unused sick and safe leave may be used to cover the costs of health insurance deductibles annually (see separate health insurance policy).
- Up to \$2,000 worth of accrued unused sick and safe leave may be used toward the purchase of fitness equipment/memberships annually (see separate sick and safe leave for fitness program/policy).

Documentation of Leave

When an employee uses sick and safe time for more than three consecutive days, or as defined by the employee's collective bargaining agreement, the City may require reasonable supporting documentation that the sick and safe time is covered under A) as listed of the Eligible Uses.

For sick and safe time under Eligible Uses – A), B), E) and F), reasonable documentation may include a signed statement by a health care professional indicating the need for use of sick and safe time. However, if the employee or employee's family member did not receive services from a health care professional, or if documentation cannot be obtained from a health care professional in a reasonable time or without added expense, then reasonable documentation for the purposes of this paragraph may include a written statement from the employee indicating that the employee is using or used sick and safe time for a qualifying purpose covered by Eligible Uses – A), B), E) and F).

For sick and safe time under Eligible Uses – C), the City shall accept a court record or documentation signed by a volunteer or employee of a victim's services organization, an attorney, a police officer, or an antiviolence counselor as reasonable documentation.

For sick and safe time to care for a family member under Eligible Uses – B), the City will accept a written statement from the employee indicating that the employee is using or used sick and safe time for a qualifying purpose as reasonable documentation.

The City will not require disclosure of details relating to domestic abuse, sexual assault, or stalking or the details of an employee's or an employee's family member's medical condition as related to an employee's request to use sick and safe time under this section.

Written statements by an employee may be written in the employee's first language and need not be notarized or in any necessary format. In accordance with state law, the City will not require an employee using sick and safe time to find a replacement worker to cover the hours the employee will be absent.

The employee must keep their supervisor or designee informed regularly of the employee's condition and expected return to work. An employee is expected to call in and advise his or her supervisor unless employee is hospitalized and unable to communicate or otherwise not required under this policy. Employee's spouse or relative may call in and keep the supervisor advised of employees' status if the employee is hospitalized.

Illness beyond three days may be considered a serious medical condition and may require FMLA leave. Beyond three days, the employee will need to work with the Human Resources Department. See separate FMLA policy.

Holiday Leave during Sick and Safe Leave

If a regularly scheduled holiday falls during an eligible fulltime and permanent part-time employees' illness, it will not be considered sick and safe leave but holiday leave.

Bereavement Leave during Sick and Safe Leave

If eligible fulltime and permanent part-time employees suffer the loss of an eligible family member, as identified in the City's bereavement leave policy, during sick and safe leave and bereavement leave is appropriate, the time off for bereavement leave will not be considered sick and safe leave. See separate bereavement leave policy.

Abuse of Leave Time

Abuse of sick and safe leave is considered just cause for disciplinary action up to and including suspension without pay, demotion or dismissal. Examples of abuse of sick and safe leave include but are not limited to the following: using leave for reasons other than listed in this policy such as not actually being sick or needing to care for another person or taking leave with the intent to extend the weekend.

Injury on Duty-Worker's Compensation

In the event of on-the-job injuries or incapacities, eligible covered regular fulltime and regular, permanent part-time employees, shall be entitled to the following:

- After the first thirty (30) days, when an employee is eligible for workers' compensation payments, employees may supplement these payments with a prorated portion of employee's sick and safe leave so the combination of the two benefits will equal employee's regular salary. If employee should exhaust their accumulated sick and safe leave, employee will receive workers' compensation payments only. Working days only will be counted when using sick and safe leave.

Benefits and Return to Work Protections

During an employee's use of sick and safe time, benefited employees will continue to receive the City's employer benefit contribution(s) as if they were working, and the employee will be responsible for any share of their benefit contribution(s).

An employee returning from time off using accrued sick and safe leave is entitled to return to their City employment at the same rate of pay received when their leave began, plus any automatic pay adjustments that may have occurred during the employee's time off. An employee's length of service during sick and safe leave absences will continue to accrue as if the employee has been continually employed.

Retaliation Prohibited

The City shall not discharge, discipline, penalize, interfere with, threaten, restrain, coerce or otherwise retaliate or discriminate against an employee for asserting sick and safe leave rights, requesting an appropriate sick and safe leave absence, or pursuing remedies. Further, use of sick and safe leave will not be factored into any attendance point system the City may use. Additionally, it is unlawful to report or threaten to report a person or a family member's immigration status for exercising a right under sick and safe leave.

If an employee believes they have been retaliated against or improperly denied sick and safe rights under this law, they can file a complaint with their department head, human resources, or the City Administrator. Employees may also file a complaint with the Minnesota Department of Labor and Industry.

Payment Upon Retirement

Payment of accumulated sick and safe leave, with accumulated vacation leave, shall not exceed an amount equivalent to one-year present rate of pay at time of retirement (as defined by the appropriate retirement fund) or involuntary layoff. Layoff shall include any termination enacted by the City which is not a disciplinary action.

For employees hired after 1/1/05, sick leave shall be paid out at fifty percent (50%) of accumulation, which shall not exceed an amount equivalent to one year of pay. The payment

will only be paid upon retirement or involuntary layoff. Layoff shall include any termination enacted by the City, which is not a disciplinary action.

To be qualified to receive the unpaid sick leave on retirement, the employee must submit a written retirement resignation to their department head at least fourteen calendar days before their retirement date, must retire, and meet the PERA retirement requirements.

If death should occur before retirement, the accumulated sick leave will be paid to a designated beneficiary, if there is none designated, then to the widow or widower, and if no widow or widower, then it is to be paid to the estate.

Violation

Any violation of this policy by a City employee will be cause for appropriate disciplinary action up to and including discharge.

Disclaimer

Nothing in this section, regardless of its clarity or specificity, creates, or is intended to create, and employee acknowledges that nothing in this section creates, or intended to create, an express or implied contract, covenant, promise, representation between the City and its employees related to sick and safe leave.

The City may change or eliminate this policy, or portions thereof, at its discretion at any time, and without notice.

This policy does not vest in any employee a right, benefit, or privilege related to sick and safe leave, not otherwise required by law, which cannot be changed or eliminated by the City Council, in its exclusive discretion, at any time without notice to employees.

Sick and safe leave or any components thereof not otherwise required by law shall remain solely within the discretion of the employer to modify, establish or eliminate. The foregoing enumeration of the employer's authority related to sick and safe leave shall not be deemed to exclude other inherent management rights and functions.

The employer's failure to exercise any right, prerogative, or function hereby reserved to it, or the employer's exercise of any such right, prerogative, or function in a particular way, shall not be considered a waiver of the employer's right to exercise such right, prerogative, or function or preclude it from exercising the same in some other way related to sick and safe leave.

City of Austin

Earned sick and safe time employee notice

Employees in Minnesota are entitled to earned sick and safe time, a form of paid leave. Employees must accrue at least one hour of earned sick and safe time for every 30 hours they work, up to at least 48 hours in a year. For purposes of the employee's earned sick and safe time accrual is calculated using the 12-month calendar year.

Sick and safe time accrual will vary between City employee groups: regular, fulltime employees will accrue 96 hours of sick and safe time annually; regular, fulltime firefighters working at 2,912-hour work schedule will accrue 134.4 hours of sick and safe time annually; regular permanent part-time employees will accrue sick and safe time on a pro-rated basis based on the fulltime employee accrual amount (sick and safe time replaces sick leave only time, for these three groups of employees). All other non-benefited employees, including seasonal, temporary and paid on-call firefighters will accrue 1 hour of sick and safe leave for every 30 hours worked.

The earned sick and safe time hours the employee has available, as well as those that have been used in the most recent pay period, must be indicated on the employee's earnings statement that they receive at the end of each pay period. Earned sick and safe time must be paid at the same hourly rate employees earn from employment. Employees are not required to seek or find a replacement for their shift to use earned sick and safe time. Earned sick and safe time can be used for all or part of a shift, depending on an employee's need.

Earned sick and safe time can be used for:

- an employee's mental or physical illness, treatment or preventive care;
- the mental or physical illness, treatment or preventive care of an employee's family member;
- absence due to domestic abuse, sexual assault or stalking of an employee or their family member;
- closure of an employee's workplace due to weather or public emergency or closure of their family member's school or care facility due to weather or public emergency; and
- when determined by a health authority or health care professional that an employee or their family member is at risk of infecting others with a communicable disease.

See the City's Earned Sick and Safe Time (ESST) leave policy for full list of eligible uses and definition of an employee's eligible family members.

Notifying employer, documentation

An employer can require their employees to provide up to seven days of advance notice, when possible (for example, when an employee has a medical appointment scheduled in advance), before using sick and safe time. An employer can also require their employees to provide certain documentation regarding the reason for their use of earned sick and safe time if they use it for more than three consecutive days.

If an employee plans to use earned sick and safe time for an appointment, preventive care or another permissible reason they know of in advance, inform employee's immediate supervisor or designee by established department procedures as far in advance as possible, but at least seven days in advance. In situations where an employee cannot provide advance notice, the employee should contact employee's immediate supervisor or designee by established department procedures as soon as they know they will be unable to work.

Retaliation, right to file complaint

It is against the law for an employer to retaliate, or to take negative action, against an employee for using or requesting earned sick and safe time or otherwise exercising their earned sick and safe time rights under the law. If an employee believes they have been retaliated against or improperly denied earned sick and safe time, they can file a complaint with the Minnesota Department of Labor and Industry. They can also file a civil action in court for earned sick and safe time violations.

For more information

Refer to the City's Earned Sick and Safe Time leave policy, discuss with your supervisor, contact Human Resources or the City Administrator.

Contact the Minnesota Department of Labor and Industry's Labor Standards Division at 651-284-5075 or dli.laborstandards@state.mn.us or visit the department's earned sick and safe time webpage at dli.mn.gov/sick-leave.

This document contains important information about your employment. Check the box at the left to receive this information in this language.

Earned Sick and Safe Time Law: What Cities Need to Know

Published: October 16, 2023

Updated Nov. 8, 2023

Effective Jan. 1, 2024, Minnesota's earned sick and safe time (ESST) law, requires employers to provide earned sick and safe paid leave to employees who work in Minnesota.

- An employee is anyone who works at least 80 hours in a year for an employer in Minnesota but does not include independent contractors.
- Temporary and part-time employees are covered under the law.
- Employers must provide each employee in Minnesota with one hour of ESST for every 30 hours worked, with the ability to accumulate at least 48 hours of ESST each year.

Learn more about the ESST law

- [View a recording of the Aug. 3, 2023, webinar, “Introduction to Paid Family and Medical Leave Law and Earned Sick and Safe Time: How Cities Can Prepare”](#) (requires a MyLMC account to access; [learn how to create a new MyLMC account](#)).
- [Read more about the ESST law in the article, “Focus on New Laws: Earned Sick and Safe Time.”](#)
- [Read the Minnesota Department of Labor and Industry’s frequently asked questions \(FAQs\) on earned sick and safe time.](#)

Get answers to FAQs regarding the new law on earned sick and safe time

The following frequently asked questions (FAQs) are designed to provide information to cities about the earned sick and safe time law to assist local governments in making decisions to comply with the law. The League will continue to update this information as necessary. These FAQs may not address all the questions that we received from members, but we will provide answers as they become available.

Can our city rename our current sick leave policy to ESST, provided we already offers eight hours of sick leave or paid time off per month (96 hours per

year)?

While the state law seems to permit an employer to rename its sick leave bank to ESST, city officials should consider the following before making that decision:

- ESST offers broader eligible uses than most sick leave policies, such as:
 - A more inclusive definition of family members.
 - The ability to use ESST for closure of the employee's place of business due to weather or other public emergency.
 - An employee's need to care for a family member whose school or place of care has been closed due to weather or another public emergency (Minn. Stat. § 181.9447, subd. 1(4)).
- Unlike most sick leave policies, the ESST law includes several anti-retaliation provisions prohibiting discipline or interference with an employee's right to use ESST (Minn. Stat. § 181.9447, subd. 6).

If these aspects are not part of your city's sick leave or paid time off (PTO) plan, then separating 48 hours each year to ESST as a subpart of your city's leave policy benefits employees by allowing them more options to use leave time than a traditional sick leave or PTO plan may provide.

Does each employee receive 48 additional hours + of sick leave under ESST?

Not necessarily. If your city's sick leave or PTO policy meets the minimum ESST earning threshold of one hour per 30 hours worked, then your city will **not** be required to offer additional leave hours. ESST requires employers, at a **minimum**, to allow the use of ESST for events that meet the eligibility criteria.

According to the law, as of Jan. 1, 2024, at a minimum, an employee accrues one hour of ESST for every 30 hours worked, up to a maximum of 48 hours a year. Employers may agree to a higher maximum annual accrual amount if they so choose. (Minn. Stat. § 181.9446 (a)).

One way to think about it is that ESST hours are a **subset** of a city's traditional sick leave or PTO hours offered to employees. However, those 48 ESST hours each year likely have a broader use for employees than a traditional sick or PTO plan.

Why and how should our city track ESST?

+

(Updated Nov. 6, 2023)

Tracking ESST hours is key, since the law under [Minn. Statute § 181.032](#) requires earning statements to reflect ESST hours accrued, used, and available. The Minnesota Department of Labor and Industry emailed a *Minnesota Wage and Hour Bulletin* at the end of October reiterating employers will be required to include the following additional information on employee earnings statements:

- The total number of sick and safe time hours available for use by the employee.
- The total number of sick and safe time hours used by the employee in the pay period.

Your city may want to talk with its payroll department or payroll software provider about adding an additional pay code as a subset of the traditional sick leave or PTO entry on employee pay stubs. If your city has any unions with collective bargaining agreement language regarding your city's PTO leave, you should run your proposed pay stub changes by your legal counsel to ensure your communication to unions and employees makes it clear that the ESST allocation is a subcategory of your city's existing leave language to meet state law requirements for 2024 and there is no loss in hours to employees.

The following graphic illustrates how the ESST could be shown as a subset of a city's traditional sick leave accrual on employee pay stubs.

Graphic: Example of tracking ESST as a separate pay code

Does vacation, comp time, or sick leave count toward hours worked when calculating ESST

+

accrual?

The [U.S. Department of Labor guidance on the Fair Labor Standards Act](#) notes that it does not require payment for time not worked, such as vacations, sick leave, or federal or other holidays. The [Minnesota Department of Labor and Industry \(DOLI\) FAQs on ESST](#) also support this.

The ESST statute specifies “hours worked.” At a minimum, your city would calculate actual hours worked, including overtime hours. However, employers have the option to be more generous than the statute requires.

Can our city implement different accrual methods, for different employee groups?

The ESST law does not specifically address this, but [Minnesota DOLI FAQs on ESST](#) states, “Yes, an employer may treat part-time and full-time employees differently for purposes of ESST, so long as the employer provides all employees at least what they are entitled to under Minnesota’s ESST law, and as long as the law is applied in a way that does not discriminate against an employee or group of employees based on a protected class, such as race, sex or national origin.”

A city may implement an ESST accrual method for full-time employees based on hours worked, while using a different method (such as front-loading 48 hours with a payout at the end of the year) for another employee group like seasonal workers, for example. While front-loading ESST may be easier from an administrative perspective, there are budgetary impacts to consider and plan for.

Are paid-on-call firefighters, EMTs, elected officials, and election judges eligible for ESST? + (Updated Nov. 6, 2023)

As of Nov. 6, 2023, David Skovholt with Minnesota DOLI clarified the state does not consider elected officials as employees under the ESST law. In the State’s ESST FAQs this is also referenced with “Only ‘employees’ as defined in the ESST law must be provided ESST; elected officials are not considered employees under the ESST law ...”

[View the Minnesota DOLI’s ESST FAQs.](#)

Beyond this recent clarification, the law provides for the following employee eligibility exceptions:

- Those who work less than 80 hours in Minnesota in a year.
- Independent contractors.
- Federal employees.
- Certain airline crew employees.

A conservative approach would be to have paid-on-call firefighters, EMTs, election judges, and other nontraditional employees track their time to secure reliable records to determine whether they have worked 80 hours in a year and, if so, award the minimum accrual rate of one hour for every 30 hours worked.

For cities paying employees at longer intervals than once every 31 days in accordance with the exception for paid-on-call firefighters, first responders, and ambulance drivers and attendants ([Minn. Stat. § 181.101](#)), it may be helpful to have these personnel track their hours worked, solely for ESST purposes, and then the city could provide a monthly statement of ESST hours earned, used, and remaining to comport with the new law.

Minnesota DOLI FAQs on ESST reflect that “Employers may calculate and record earned sick and safe time hours at the same frequency as the employer’s other typical payroll practices (i.e., by pay period, whether that’s weekly, biweekly, monthly, or twice monthly).”

When do ESST accruals begin? +

The statute defines a year as a regular and consecutive 12-month period as determined by an employer and clearly communicated to each employee. Since the ESST law is in effect as of Jan. 1, 2024, your city will, at a minimum, begin counting from that date onward.

All employees, including full-time, part-time, temporary, and seasonal, are eligible for ESST if they work at least 80 hours in a year, and they begin to accrue ESST at the start of employment ([Minn. Stat. § 181.9446 \(d\)](#)). (Refer to [Minnesota DOLI FAQs on ESST](#).)

Thus, ESST is accrued **after** an employee has worked 80 hours, unless an employer wishes to be more generous than state law. Once an employee has worked 80 hours in a year, then ESST accruals begin — at a minimum rate of one hour for every 30 hours worked — going back to the first hour worked for the employer.

What are the methods for awarding ESST? +

The law provides for three methods an employer can choose to award ESST ([Minn. Stat. § 181.9446 \(b\)\(1-2\)](#)):

- **Accrue as earned, with no payout required:**

- One hour of ESST earned and added to the employee’s leave bank for every 30 hours worked; and
- Employees are permitted to accrue a minimum of up to 48 hours of ESST in a year (more if the employer agrees to a higher amount); and
- Employees can carry over unused ESST into the next year. However, at no time can an employee’s accrued ESST exceed 80 hours (unless the employer agrees to a higher amount).
- **Front-loading 48 hours with payout and no carryover:**
Some employers find front-loading of ESST hours a distinguishing factor when considering employer-of-choice initiatives in a tight labor market, while others may find front-loading easier for payroll recording. However, there are budget implications of front-loading 48 hours of ESST since the law requires any remaining ESST hours each year to be paid out to the employee.
 - Employer provides a minimum of 48 hours of ESST for the year made available for immediate use at the start of each year, and
 - Unused ESST hours are paid out at the end of the accrual year at the employee’s hourly rate.
- **Front-loading 80 hours with no payout and no carryover:**
 - Employer provides a minimum of 80 hours of ESST and makes it available for immediate use at the start of each year; and
 - No payout of unused ESST at the end of the accrual year, but cities should check with their city attorney for impacts if there is existing contractual language regarding payout of sick leave or PTO balances.

Does ESST have to be paid out to separating employees?

+

Under the law, no payout of accrued ESST is required, except in the case of front-loading 48 hours of ESST hours. As indicated in the response on front loading ESST hours, in this situation any unused ESST hours are paid out at the end of the year at the employee’s hourly rate.

Some cities have asked if an employee is not employed at year end (perhaps their work ended at the end of the season earlier in the year), does the employee still need to be paid out? While the spirit of the law seems to align with a payout even before the end of the year, League staff reached out to Minnesota DOLI representatives, and they noted the law

does not directly answer this scenario. DOLI representatives are looking into this further and will provide more information when they have an answer.

If you pay out ESST hours at time of termination, do hours need to be reinstated if an employee is later rehired? +

The law states that an employee who returns to work for the same employer within 180 days of separation is entitled to the previously accrued ESST hours the employee had on the books prior to leaving.

Therefore, your city's payroll system should include a tracking mechanism to ensure any employees who leave and then return (such as seasonal employees) within the 180-day window receive their accrued ESST and unused leave balance.

Once an employee hits the 80 hours worked mark, do they need to work at least 80 hours again the next year to requalify for ESST? +

A Minnesota DOLI representative confirmed to League staff that an employee only has to qualify once (meaning work at least 80 hours), typically at the time of hire.

For example, if a city has a part-time employee who worked 100 hours in one year (and thus qualified for ESST since they worked at least 80 hours in the city-defined 12-month period year), but worked only 70 hours the next year, the employee would still continue to earn ESST in the second year at the rate of one hour for every 30 hours worked.

Are ESST hours prorated for part-time and seasonal employees? +

Yes, if calculating on an accrual basis, because under the law employees earn ESST based on the number of hours worked. The law states an employee accrues a minimum of one hour of ESST for every 30 hours worked, up to a maximum of 48 hours in a year (Minn. Stat. § 181.9446 (a)).

If a city front-loads ESST hours, there are no prorated adjustments. [For additional information, refer to the response on front-loading ESST hours.](#)

Is ESST subject to Public Employees Retirement Association (PERA) deductions? +

According to PERA representatives, ESST hours are eligible for PERA deductions, assuming the hours are used and relate to a certain pay period, similar to how PTO or vacation/sick leave hours are PERA-eligible.

However, for example, if an employer front loads 48 ESST hours at the beginning of the year and then pays out any remaining ESST balance at the end of the year, that lump sum payout would be ineligible for PERA deductions, just like vacation or sick leave lump sum payouts are ineligible for PERA deductions.

Is our city obligated to negotiate new ESST benefits in collective bargaining agreements? +

While each city should consult with its legal counsel to determine best next steps, labor consultants contacted by the League have noted a city is not obligated to negotiate ESST into its collective bargaining agreements. The ESST statute does not require a city to provide additional paid leave benefits if it already provides PTO that meets or exceeds, and does not conflict with, the minimum standards of the statute.

A potential response to unions is, “The city intends to comply with the law. We do not intend to negotiate statutory provisions into the contract.”

What notice should our city provide to employees, + regarding ESST?

[The Minnesota DOLI's ESST guidance](#) states that in addition to providing their employees with one hour of paid leave for every 30 hours worked, up to at least 48 hours each year, employers are required to:

- Include the total number of earned sick and safe time hours accrued and available for use, as well as the total number of earned sick and safe time hours used, on earnings statements provided to employees at the end of each pay period;

- Provide employees with a notice by Jan. 1, 2024 — or at the start of employment, whichever is later — in English and in an employee's primary language if that is not English, informing them about earned sick and safe time; and
- Include a sick and safe time notice in the employee handbook, if the employer has an employee handbook.
 - To help cities compare their current paid leave (like sick or PTO) policies, to the ESST requirements, the firm of Madden Galanter & Hansen, PLLC has compiled a [document comparing ESST vs. paid leave policy \(pdf\)](#).
 - As noted in the [LMC model personnel policy \(doc\)](#), cities may find this tool useful to discern where enhancements to city policies are required and where city policies are richer than state law.

The [Minnesota DOLI has a uniform employee notice \(doc\)](#) that employers can use and will make it available in the five most common languages spoken in Minnesota. An employer may develop its own notices as well, provided it includes all the necessary information.

Can employers require employees to give advance notice before using ESST?

Yes, if the need for ESST use is foreseeable, an employer may require advance notice of the employee's intention to use ESST but must not require more than seven days' advance notice.

If the need for ESST is unforeseeable, an employer may require an employee to give notice as soon as practicable.

An employer requiring notice of the need to use ESST must have a written policy containing reasonable procedures for employees to provide notice and must provide a written copy of the policy to employees. If a copy of the written policy has not been provided to an employee, a city may not deny the use of ESST on that basis. (Minn. Stat. § 181.9447, subd. 2.)

If an employee uses ESST for more than three consecutive days, an employer may require reasonable documentation that the time off meets eligibility requirements. However, if an employee or the employee's family member did not receive services from a health care professional, or if documentation cannot be obtained from a health care professional in a reasonable time or without added expense, then reasonable documentation may include a written statement from the employee indicating that the employee is using, or used, ESST. A written statement by an employee may be written in the employee's first language and does not need to be notarized. (Minn. Stat. § 181.9447, subd. 3.)

An employer must accept a court record or documentation signed by a volunteer or employee of a victims' services organization, an attorney, a police officer, or an antiviolence counselor as reasonable documentation.

Can an employee work part-time while using ESST? +

Yes. An employee, in agreement with the employer, may return to work part-time during the leave without forfeiting the right to return to employment at the end of the ESST (Minn. Stat. § 181.9447, subd. 8).

Can an employer require employees to use ESST before regular sick leave? +

Yes, an employer may specify in policy that ESST is to be used first. Minnesota DOLI representatives told League staff that there is nothing in the law that precludes an employer from specifying ESST be used before regular sick leave.

Your LMC Resource

HR & Benefits Department

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Austin, MN 55912
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Tricia Wiechmann
Human Resources Director
507-437-9942
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MEMORANDUM

TO: Mayor and City Council

FROM: Tricia Wiechmann
 Human Resources Director

RE: Revised Vehicle Use Policy & New Take Home Vehicle Policy

DATE: December 13, 2023

The City provides city-owned vehicles to a handful of supervisors for their use during their normal scheduled work hours (M – F). Additionally, these same handful of supervisors respond to emergency calls and situations, as necessary, outside of their regular work hours, including weekends. For these employees to respond quickly and efficiently, they have been allowed to take the city-owned vehicle home. As such, the employees are driving these vehicles to and from their home residence to work or work job site. The employees do not incur any type of expense as it relates to the vehicle; the City provides gas, insurance, vehicle maintenance etc.

Following a comprehensive review by the finance department, it has been determined that the City should develop and implement a Take-Home Vehicle Policy. This determination has been confirmed from various external parties. Consequently, now that this review has been made, we are obligated to adhere to the corresponding IRS regulations.

The attached policy aims to establish guidelines and criteria for the assignment and usage of city-owned vehicles for commuting or personal purposes outside of regular working hours, as well as, ensure compliance with Internal Revenue Service (IRS) guidelines.

The identified IRS commuting tax method is a standard approach to calculate the taxable value of personal use of city vehicles for commuting purposes. This method considers commuting miles as personal use, and sets a round trip commute rate of \$3.00 (\$1.50 per one-way commute).

Upon approval of the attached policy, employees who take home city vehicles will be subject to the IRS commuting tax method, which will include calendar year 2023. To compute the appropriate commuting method, the finance department will produce an hours and days worked report, based on a calendar year to identify the number of days of occurrence for each applicable employee. The number of days worked will then be multiplied by the \$3.00 per day commuting method. This amount will be added to the employee's payroll check which includes December 31.

It is noted that if we do not establish and document the proposed Take-Home Vehicle Policy, enabling us to utilize the IRS commuting tax method, it is anticipated that the applicable rate for employees would default to the standard IRS mileage rate (currently set at 65.5 cents per mile). This shift could significantly increase the financial liability for employees, potentially resulting in thousands of dollars in additional taxable income.

The IRS commuting tax method does not apply to emergency use vehicles such as clearly marked police and fire vehicles and unmarked vehicles used by law enforcement officers if the use is officially authorized. These types of vehicles are exempted by the IRS from reporting requirements. In general, an exempt vehicle is one that is unlikely to be used more than minimally for personal purposes because of the way it is designed.

Additionally, as part of the review and development of the new Take-Home Vehicle Policy, the City's current Vehicle Use Policy (see separate Use of Property – Vehicles policy) also underwent a complete review. The proposed revisions, in the attached document, represent a complete overhaul of the current policy and is recommended to replace our current policy in its entirety.

As part of the revised Vehicle Use Policy, we will now have a Vehicle Use Agreement for employees to review and sign. This agreement serves as a formal acknowledgment of the revised policy, outlining the guidelines and expectations for the responsible and lawful use of city vehicles. The Vehicle Use Agreement is designed to ensure that all employees who have access to city vehicles understand and agree to comply with the updated policies and procedures. It serves as a commitment to responsible vehicle use and adherence to the established guidelines. This agreement is provided for your information and it not considered part of the formal policy.

The revised Vehicle Use Policy and Take-Home Vehicle Use Policy have been reviewed by the City Attorney and finance department. Upon approval, this will be provided to all affected city employees, included in the City's Employee Handbook, and will also be available on the City's Intranet.

Thank you for your consideration, and please let me know if you have any questions.

Vehicle Use Policy

Purpose

Vehicles are provided for the performance of employee responsibilities relating to their job functions and in compliance with Minnesota State Statute 471.666.

Policy

City owned vehicles are to be used for City business purposes only. Employees are encouraged to use City vehicles whenever possible for conducting City business. When a City vehicle is not available, an employee will be reimbursed for using his or her own vehicle for City business at the standard business mileage rate of the IRS.

All employees operating City vehicles will remove the keys and lock the doors when the vehicle is left unattended. Employees will be responsible for using, parking, and storing vehicles in a safe and responsible manner.

Employee and public safety are to be primary considerations when determining vehicle operational practices. The City of Austin will keep all vehicles maintained in safe operating condition. Vehicle operators will bring vehicular defects to the attention of their immediate supervisors. Safety related defects will be corrected prior to use of the vehicle.

Vehicle Operation

The following rules for City vehicle use apply to all City vehicles:

- Only City employees may drive City vehicles, and persons other than City employees are allowed as passengers only when it is necessary for conducting City business.
- Vehicles will be used in a manner that is consistent with the intended use of the vehicle and operated in accordance with the manufacturer guidelines, including load capacity and trailer pulling capacity.
- Employees must operate City owned vehicles in a manner which reduces the likelihood of damage and premature failure of the vehicles or injury to employees or others.
- Employees are expected to obey all traffic laws while driving City vehicles.
- Vehicle Safety belts (seatbelts) must be worn when operating (or riding in) a City vehicle. Occupants of any City vehicle must ride in a seat designated for occupancy and it must be equipped with a properly functioning seatbelt. Seat belts are not required if the employee is required to alight from and reenter a passenger vehicle at frequent intervals and who, while engaged in the activity, does not drive at a speed exceeding 25 miles per hour.
- Employees may not use a City vehicle for their personal use except in authorized circumstances that is clearly incidental to the use of the vehicle for local government business and efficiency (such as stopping at the store on the way to a business meeting or for lunch when it is more practical than returning the vehicle first).
- City owned vehicles are not to be used for transportation to or from the residence of a City employee except in cases of a City emergency; except as provided below under the overnight usage section.

- Employees shall not use cell phones while operating a motor vehicle in the conduct of City business. The use of hands-free phone operation and two-way radio system is allowed. In the event of an emergency, drivers shall park the vehicle before calling for emergency assistance.
- Employee may not use tobacco, in any form, while operating City vehicles.
- Employee shall not be under the influence of intoxicants, drugs, or any other substance known to impair driving ability.
- City owned vehicle may not be used for any illegal purpose.
- City owned vehicles may not be used for carrying or transporting firearms, intoxicants, drugs, or any other controlled substances; except as required by law enforcement personnel.
- Persons operating City vehicles shall not provide rides to hitchhikers.

The City reserves the right to obtain driver's license records on a regular basis as determined by the City (i.e., annually) on all employees assigned or authorized to use City vehicles. The City has the right to revoke any employee's privilege to operate a City vehicle at any time.

Housekeeping

Appearance of a City owned vehicle is a direct reflection on the professionalism of our services. A neat and clean vehicle presents a positive image of the City and demonstrates the pride our City employees have. City owned vehicles must be kept neat and clean. Failure to keep vehicles neat and clean can result in discipline up to and including discharge.

Traffic Violations

Costs or penalties resulting from traffic or other legal violations incurred while operating or in control of a City vehicle, are the personal responsibility of the City employee using the vehicle.

Traffic Accidents

If you should be involved in an accident while driving a City owned vehicle, please do the following:

- Notify the police, call for medical aid if needed and warn oncoming traffic (using caution to avoid placing yourself at risk).
- Write down names of drivers, license plate numbers, vehicle types and insurance companies of other drivers. Insurance information is available in the glove compartment of each City owned vehicle.
- Discuss the accident only with police and your supervisor.
- Get the names, address, and telephone numbers of all witnesses.
- Notify your supervisor as soon as possible of the accident. The supervisor is responsible for reporting the accident to City Administration and completing the necessary paperwork for claim submission and recordkeeping.

Overnight Usage

City vehicles shall not be taken home overnight except as follows:

- A. Employees may take a City-owned vehicle home for one night when attendance at an out-of-city meeting takes place late at night after normal working hours or early in the morning prior to normal working hours.
- B. Department heads and supervisory staff, who are subject to random call-ins, are authorized to use a City vehicle for transportation to and from work and for incidental personal usage, provided that such usage does not entail substantial route deviation.
- C. Other than the exceptions cited, only those employees who are on standby assignment or are otherwise authorized for bona fide work-related reasons are allowed to have a City vehicle available at their residence.
- D. Employees authorized for assignment of a City-owned vehicle under B. above are subject to the terms and conditions of the vehicle take home policy below.

At the discretion of the Council or as provided in an approved union/unit labor agreement, car allowances may be furnished to department heads in lieu of city-owned vehicles.

Violations

The violation of this policy can result in discipline up to and including discharge.

City Take Home Vehicle Policy

Purpose

The intent of this policy is to provide guidelines to department heads and supervisory staff, who are subject to random call-ins, and are authorized to use a City vehicle for transportation to and from work. This policy is not meant to supersede laws, rules, or regulations imposed by federal, state, or local governments.

General

Vehicle assignments will not be made based on status, tradition, or as a condition of employment. Instead, vehicles will be assigned based on need or other qualifying business use. Monitoring vehicle utilization is a key component in cost effective vehicle management. Each department head will monitor vehicle usage on an ongoing basis to ensure that vehicles are being utilized in a cost-effective manner consistent with the expectations established at the time of vehicle acquisition/assignment.

Employees who use an employer-provided vehicle for personal use, the value of the personal use must be added to your income. The personal use value is subject to federal, state, Social Security (FICA), and Medicare taxes. The City will withhold taxes on this value and will include this value in wages on your Wage and Tax Statement (W-2) form.

For the City to be able to withhold taxes and add this value to wages on your W-2 form, employees must report such use on their biweekly time sheet so it can be entered into the payroll system. Reporting of personal use should be done according to the instructions below.

Personal use of an employer-provided vehicle includes commuting, local, and out-of-town personal travel. It includes qualified employer-required commuting (which means an employer requires an employee to commute in the vehicle for a bona fide non-compensatory business reason).

Commuting is defined as the travel between the employee's home and regular work site. Trips between an employee's regular work site and a temporary work site or between one temporary work site to another, are not considered commuting. A temporary work site is a location where an employee performs services on an irregular or short-term basis.

The IRS permits the value of personal use of employer-provided vehicles by one of three methods. For the purposes of the employees covered under this policy, the City will utilize IRS Method 1 as outlined below for City of Austin owned vehicles provided to the employees.

Method 1

Method 1 values personal use at \$3.00 per round-trip commute (\$1.50 per one-way commute). The commuting method of valuing personal use of an employer-provided vehicle can only be used if the following criteria are met:

1. The employer requires the employee to commute in the vehicle for bona fide non-compensatory business reasons. Examples of acceptable reasons include lack of space to store the vehicle, the expectation that the employee will respond to emergency calls from home, security reasons, etc.
2. Use of the vehicle for personal purposes other than commuting is prohibited.
3. The employee is not a "control employee" of the state. A control employee is an elected official or any employee whose compensation equals or exceeds that of a federal employee at Executive Level V (\$172,100).
4. The vehicle is used in connection with the employer's business.

To compute the appropriate commuting method, the City will produce an hours and days worked report, based on a calendar year to identify the number of days of occurrence for each applicable employee. The number of days worked will then be multiplied by the \$3.00 per day commuting method. This amount will be added to the employee's payroll check which includes December 31.

Employees who leave employment mid-year, will have a pro-rated amount calculated based on the number of days worked, on a year-to-date calendar year. The number of days worked will then be multiplied by the \$3.00 per day commuting method. This amount will be added to the employee's payroll check which includes their last day worked.

Exempt Vehicles

This procedure does not apply to the following types of vehicles and uses which are exempted by the IRS from reporting requirements. In general, an exempt vehicle is one that is unlikely to be used more than minimally for personal purposes because of the way it is designed.

Exempt vehicles include:

- Clearly marked police and fire vehicles (see guidelines below).
- Unmarked vehicles used by law enforcement officers if the use is officially authorized (see guidelines below).
- Ambulances and hearses used as such.
- Cargo carriers that have a loaded gross vehicle weight over 14,000 pounds.

- Delivery trucks with seating for the driver only, or for the driver plus a folding jump seat.
- Passenger buses used as such with a capacity of at least 20 passengers.
- School buses.
- Tractors and other special purpose farm vehicles.
- Certain pickup trucks and vans (see guidelines below).

Clearly marked police and fire vehicle:

A vehicle owned or leased by a governmental unit that is required to be used for commuting by a police officer or firefighter who is always on-call. Personal use (other than commuting) outside the limit of the police officer's arrest powers or the firefighter's obligation to respond to an emergency must be prohibited by the governmental unit. Clearly marked means that, through painted symbols or words, it is easy to see that the vehicle is a police or fire vehicle. A marking on a license plate is not a clear marking for this purpose.

Unmarked law enforcement vehicle:

Personal use must be authorized by the governmental unit that owns or leases the vehicle and employs the officer. The personal use must be necessary to help enforce the law, such as being able to report directly from home to a stakeout site or emergency. Using unmarked vehicles for vacation or recreation trips does not qualify as authorized use.

Law enforcement officer:

A person employed full-time by a governmental unit that is responsible for preventing or investigating crimes involving injury to persons or property (including catching or detaining persons for such crimes), who is allowed by law to carry firearms, execute search warrants, and make arrests (other than citizen's arrest), and who regularly carries firearms (except when working undercover). It may include an arson investigator who meets these requirements.

Qualified pickup truck or van:

To qualify as a non-personal use vehicle, a pickup truck or van must:

- Be specially modified so it is unlikely to be used more than minimally for personal purposes;
- Have a loaded gross vehicle weight not over 14,000 pounds; and
- Be clearly marked with permanently affixed decals, painting, or advertising associated with the employer's trade, business, or function.

In addition, the pickup truck or van must meet the following qualifications:

Pickup truck:

- Must be equipped with at least one of these: a hydraulic lift gate, permanently installed tanks or drums, permanently installed side boards or pages that materially raise the level of the sides of the truck bed, or other heavy equipment (such as an electric generator, welder, boom, or crane used to tow automobiles and other vehicles), or
- Must be used primarily for transporting a particular type of load (other than over public highways) in connection with construction, manufacturing, processing, farming, mining, drilling, timbering, or other similar operation for which it has been specially designed or modified to a significant degree.

Van:

- Must have a seat for the driver only or the driver and one other person, and either permanent shelving has been installed that fill most of the cargo area, or the cargo area is open, and the van constantly (during working and nonworking hours) carries merchandise, material, or equipment used in the employer's trade, business or function.

Violations

The violation of this policy can result in discipline up to and including discharge.

Current – Use of Property – Vehicles Policy

Use of Property Policy

Vehicles ~~City vehicles are to be used for City business only. City vehicles may be used for personal use that is clearly incidental to the use of the vehicle for local government business (such as stopping at the store on the way to a business meeting or for lunch when it is more practical than returning the vehicle first). Only City employees may drive City vehicles, and persons other than City employees are allowed as passengers only when it is necessary for conducting City business.~~

~~City vehicles shall not be taken home overnight except as follows:~~

- ~~A. Employees may take a City-owned vehicle home for one night when attendance at an out-of-city meeting takes place late at night after normal working hours or early in the morning prior to normal working hours.~~
- ~~B. Those employees designated by the department head to be "on 24 hour call" for department emergencies.~~

~~To ensure the safety of all employees and to comply with Minnesota statutes, all City employees shall always wear a seat belt while operating a vehicle. It will be the responsibility of the driver of any vehicle to assure that passengers in the vehicle wear a seat belt. Seat belts are not required if the employee is required to alight from and reenter a passenger vehicle at frequent intervals and who, while engaged in the activity, does not drive at a speed exceeding 25 miles per hour.~~

~~At the discretion of the Council Finance Committee, car allowances may be furnished to department heads in lieu of city-owned vehicles.~~

City Owned Vehicle Use Agreement

Agreement between the City and the employee named below for the assignment of a City-owned vehicle for City business use.

Employee Name _____

Position _____

Department _____

A City-owned vehicle is hereby assigned to the above-named employee under the following conditions:

1. Any driver of a City vehicle shall, always, be properly licensed to drive in any state in which the vehicle is operated, and the employee-driver shall maintain a valid Minnesota driver's license. Should the employee have his/her driving privileges revoked, suspended, or canceled he/she shall, upon such notification, inform the City of the revocation, suspension or cancellation and the assigned vehicle will be returned to the employee's department.
2. The vehicle shall be operated and maintained according to the City's standard maintenance schedule.
3. The employee shall keep accurate records and reports as may be required by the City covering mileage, expense, accidents, car maintenance, etc.
4. All drivers of a City vehicle shall, always, follow safe driving practices.
5. The City will pay all operating expenses such as registration, insurance, excise tax, state inspection fees, gasoline, oil, greasing, washing and repairs. Parking and toll charges will be reimbursed when such charges are incurred while driving on City business.
6. Reasonable personal use of the vehicle is allowed, only when such personal use is incidental to the employee's normal job requirements. Personal use of a City-owned vehicle not incidental to the employee's employment requirements is prohibited.
7. The employee will be responsible for reasonable, safe overnight parking at the employee's residence. Upon presentation of appropriate receipt(s), the City will pay for overnight parking of the vehicle for out-of-town City business trips.
8. The carrying of passengers for a consideration is not allowed.
9. The employee assumes full responsibility for any traffic and parking violations arising out of the use of the City vehicle. If the City should be required to pay any fine after the employee terminates employment with the City, the employee agrees to reimburse the City within 30 days of written notice.
10. It is City policy that employees who drive or ride as passengers in City vehicles will always use available passenger restraints when the vehicle is in motion.

11. The City has the right to revoke any employee's privilege to operate a City vehicle at any time and may revoke this agreement at any time.
12. The City reserves the right to obtain driver's license records on a regular basis as determined by the City (i.e., annually) on all employees assigned or authorized to use City vehicles.
13. The taxable value for personal use of the City owned vehicle will be included in the employee's gross income for the year and will be identified on the employee's W-2 form. The appropriate Federal and State payroll taxes will be deducted from the employee's net pay.
14. Under no circumstances shall an employee of the City, who is furnished with, or a driver of a City owned vehicle, give permission to any other person to use or operate the vehicle.

I have read, understand, and agree to comply with the above conditions for my being assigned the custodianship of a City vehicle.

I have read and understand the rules outlined therein and agree to abide by them.

Employee's printed name

Employee's signature

Date