POLICIES & PROCEDURES COMMITTEE MEETING
PAYNESVILE CITY HALL
OCTOBER 2, 2014
6:00 P.M.

AGENDA

I. CALL TO ORDER

II. CONSENT AGENDA
   A. Minutes (page 1)

III. NEW BUSINESS
   A. Liquor Store Clerk Position (page 3)
   B. Building Official Position (page 4)
   C. Employee Personnel Policy (page 5)
   D. Placing Non-Union Employees On SAFE Scale (page 65)
   E. Health Care Coverage (page 69)
   F. Revise Fire Fighter Job Description (page 73)

IV. OLD BUSINESS
   A. Performance Appraisal Form (page 76)

V. INFORMATIONAL

VI. ADJOURN

Please contact Renee Eckerly at 320-243-3714 ext. 227 or at renee@paynesvillemn.com if you can't attend the meeting.

Members: Gene Beavers, Donavan Mayer & Renee Eckerly

This agenda has been prepared to provide information regarding an upcoming meeting of the Policies & Procedures Committee. This document does not claim to be complete and is subject to change.

BARRIER FREE: All Policies & Procedures Committee meetings are accessible to the handicapped. Attempts will be made to accommodate any other individual need for special services. Please contact City Hall (320) 243-3714 early, so necessary arrangements can be made.

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: Policies & Procedures Committee

Committee/Council Meeting Date: October 2, 2014

Agenda Section: Consent

Originating Department: Administration

Item Number: II - A

ITEM DESCRIPTION: Minutes

Prepared by: Staff

COMMENTS:

Please review the minutes from the April 8, 2014 Policies & Procedures Committee meeting.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to approve the minutes from April 8, 2014 Policies & Procedures Committee meeting.

MINUTES
POLICIES & PROCEDURES COMMITTEE

APRIL 8, 2014

The meeting was called to order by Gene Beavers at 6:00 p.m. Members present were Donavan Mayer and Renee Eckerly, City Administrator.

> **Motion was made by Mayer to approve the minutes from the March 4 and March 24, 2014 Policies & Procedures Committee meetings.**

LIQUOR STORE EMPLOYEE POLICY MANUAL

The Committee discussed issues for correction and to not duplicate items already in the Personnel Policy. It was noted to make sure "when not to serve" is in the policy. The Policy will be returned to Bill Ludwig for revisions and a final copy will be brought back to the Committee.

CELL PHONE POLICY

The Committee discussed and reviewed the Cell Phone Policy. Eckerly reported that all staff except herself is using the City cell phone for personal use; under the old policy.

> **Motion was made by Beavers to approve the Cell Phone Policy and recommend such to the City Council. Seconded by Mayer and unanimously carried.**

BUILDING OFFICIAL

Eckerly reported on the negotiation items. The Committee discussed options with the hiring process and options on the items. Jake Depuydt will be invited to attend the April 14, 2014 City Council meeting to negotiate wages. Ann Antonson, Springsted stated that the City has to stay in Grade 12 to avoid any pay equity issues. The Union Contract states that the City can hire up to Step 3. Grade 12, Step 1 is $46,215.13. Grade 12, Step 2 is $47,644.46. Grade 12, Step 3 is $49,118.000. It was assumed mileage would be paid due to this being a start-up position.

ADMINISTRATION STAFFING

The Committee discussed how busy the administrative staff is and how hard it is to do detailed work and wait on the window without making errors. Some options were discussed.

PERFORMANCE APPRAISAL FORMS

This item will be on the next agenda.

There being no further business, the meeting was adjourned 7:50 p.m.

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: Policies & Procedures Committee

Committee/Council Meeting Date: October 2, 2014

Agenda Section: New Business

Originating Department: Liquor Store

Item Number: III - A

ITEM DESCRIPTION: Liquor Store Clerk Position

Prepared by: Staff

COMMENTS:

Discuss the current vacant Liquor Store Clerk Position. The City has received two applications; however, they do not meet the necessary requirements. Ads for the position have ran in the following:

Paynesville Press	August 20 and 27	September 10, 17 and 24
Plus	August 17, 24 and 31	September 14, 21 and 28
Eden Valley Voice	August 20 and 27	September 17 and 24
Cold Spring Record	August 19 and 26	September 16 and 23
Peach	August 19 and 26	September 15 and 22
Lakes Area	August 16, 23 and 30	September 13, 20 and 27

Bill Ludwig will be in attendance to discuss option.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to _____

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REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: Policies & Procedures Committee

Committee/Council Meeting Date: October 2, 2014

Agenda Section: New Business

Originating Department: Administration

Item Number: III - B

ITEM DESCRIPTION: Building Official Position

Prepared by: Staff

COMMENTS:

Renee Eckerly will give a verbal report on the status of hiring for this position and on contracting with the City of Litchfield.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

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REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: Policies & Procedures Committee

Committee/Council Meeting Date: October 2, 2014

Agenda Section: New Business

Originating Department: Administration

Item Number: III - C

ITEM DESCRIPTION: Employee Personnel Policy

Prepared by: Staff

COMMENTS:

Renee Eckerly will give a verbal report. Please review the attached current Employee Personnel Policy. Eckerly is working on redrafting the Policy with a template from the League of MN Cities. A new Policy will be emailed out.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to _____.

MEMO

DATE: 7/25/07

TO: City Employees

FROM: Chris

SUBJECT: Personnel and Other Policies

Attached is a current copy of the personnel policy along with other various policies. Everyone should have the most current. However, with the union negotiations, there are several items that are subject to change along with changes directed by the city auditors.

If you have any questions, please see me.

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CITY OF PAYNESVILLE

PERSONNEL POLICIES

Effective:
January 1, 1991
Last Revised:
July 2, 2001

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SECTION 1 - PURPOSE

The purpose of these policies is to establish an equitable system of personnel administration for the employees of the City of Paynesville. The provisions of these personnel policies do not establish terms and shall not be construed as contractual provisions. These policies may be amended at any time at the sole discretion of the City.

SECTION 2 - SCOPE

Personnel Covered: Except as otherwise specifically provided, these policies apply to all employees of the City except:

1. Elected officials;
2. City Administrator;
3. Members of City boards, commissions and committees;
4. Volunteer firefighters and other volunteer personnel;
5. Civil Defense Director;
6. Emergency employees; and
7. Other employees not employed in a regular position.

SECTION 3 - DEFINITIONS

"APPOINTING AUTHORITY" - The individual(s) with authority to make hiring decisions. In Paynesville this shall mean the City Council and/or Clerk/ Administrator as provided for in these policies.

"BENEFITS" - Privileges granted to an employee in the form of leaves of absence, insurance, or pay received in lieu of accrued leave upon termination of employment.

"COUNCIL" - The City Council of the City of Paynesville.

"EXEMPT EMPLOYEE" - Employees not covered by the Fair Labor Standards Acts.

"NON-EXEMPT EMPLOYEE" - Employees who are covered by the Fair Labor Standards Acts.

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ended. When the appointment is open-ended, the Clerk/Administrator shall determine the ending date based on needs of the City.

Pre-employment Medical Examinations: The City may determine that a pre-employment medical examination is necessary to determine fitness for any City position. Where a medical examination is required, the offer of employment shall be made contingent upon successful completion of the medical exam. The physician conducting the exam shall be provided with a description of the duties and responsibilities and other pertinent information on the position to aid in the determination of the ability to perform the job in question.

If the City determines that pre-employment medical exams will be required, they shall be required of all candidates who are conditionally offered employment for a given job class. The information obtained during the medical exam shall be treated as confidential medical records. The physician shall notify the Clerk/Administrator that a candidate either is or is not medically able to perform the job. The Clerk/Administrator shall inform all candidates of the results of the examination. If a candidate is rejected for employment based on the results, he/she shall be notified of this determination and may request further explanation from the physician.

Duration of Employment: Except as restricted by statute, the City may dismiss an employee at any time, for any reason. Subject to Section 22, Resignations, an employee may terminate City employment at any time.

SECTION 5 - PROBATIONARY PERIOD

The probationary period is an integral part of the selection process and shall be utilized for observing the employee's work, for training the employee in the work expectations, and for rejecting any employee whose performance does not meet the required work standards. Probationary periods shall be set for a minimum of six consecutive months and City Council shall reserve the right to extend the probationary period. Another performance evaluation shall be completed prior to the end of the extended period. (3/03)

Termination During Probation: An employee may be terminated at any time during the probationary period if, in the opinion of the Clerk/Administrator, the employee is unable or unwilling to perform the duties satisfactorily or if the employee's habits or dependability do not warrant continuation in the position. The employee so terminated shall be notified in writing of the reasons for the termination and shall not have the right to appeal unless he or she is a veteran, in which case the procedure prescribed in Minnesota Statutes Section 197.46 shall be followed.

Probationary periods apply to new hires, transfers, promotions, and rehires. Employees

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terminated during a probationary period from a position to which they were transferred or promoted may be reinstated to a position in the class from which they were transferred or promoted, upon approval of the Clerk/Administrator.

Upon completion of the probationary period for a new hire or rehire, employees shall become regular employees, within the meaning of this policy, and shall be credited with seniority and benefits dating from the first day of continuous employment with the City. The Clerk/Administrator shall maintain a seniority list organized by job class within each department. When all other considerations are equal, the principal of seniority shall apply in layoffs and recall from layoff.

Applicability to leave benefits: During the probationary period following an original appointment or a rehire, an employee is not entitled vacation or sick leave. After the end of the probationary period, an employee is entitled to use their sick leave and vacation leave accrued from the start of probation. No employee shall be eligible for sick leave or vacation that fails to pass their probationary period.

Immediately prior to the expiration of the probationary period, the Clerk/Administrator shall notify the Council in writing whether or not the services of the employee have been satisfactory and whether or not the employment will be continued.

SECTION 6 - BENEFIT ELIGIBILITY

Benefits are described in the Benefit Guide for the City of Paynesville and are subject to change at the discretion of the Council. Employees must be regular full time employees to be eligible for benefits.

SECTION 7 - COMPENSATION

Employees of the City shall be compensated according to the salary schedule adopted by the Council. Unless approved by the Council, employees shall not receive pay from the City in addition to the salary authorized for the position(s) to which they have been appointed. (Expense reimbursement or travel expenses may be authorized in addition to salary.)

Starting Salaries: Employees shall normally be hired at the base salary (beginning step) of the salary range of the position for which they were hired. Exceptions may be made upon approval of the Council based on the following:

1. Additional education or training above that normally expected of the position;

2. Additional experience or more relevant experience than that normally expected of the position;

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3. Special qualifications of the individual.

When requesting pay above the minimum consideration should be given to salaries of current employees, current salary of the candidate, availability of other good candidates, and the benefit to the organization.

Salary Progression: Salary ranges are established with normal time intervals for increases. Full-time employees are eligible for increases annually on their anniversary date of hire. Any employee hired prior to 3/1/00 shall retain the current 8/1 step increase date. Employees hired after 3/1/00 shall use the anniversary date for step increases. Part-time employees will be eligible for increases at 2080 hours and every 2080 hours thereafter. No employee shall exceed the maximum salary for the range. (9/28/05)

Pay For Performance: Salary increases will be awarded only to employees whose overall performance is at least at the satisfactory level. Increases may be delayed or not awarded to any employee whose performance is below satisfactory. In addition, employees who have consistently performed substantially above the expectations for the position will be eligible for accelerated increases or increases of more than one step, as determined by the Clerk/Administrator and approved by the Council.

Salary Upon Promotion: Employees who are promoted to another position within the City shall move to the closest step in the new salary range that meets or exceeds five percent of their current salary step (exclusive of overtime). In no case will an employee receive pay in excess of the maximum step, or below the minimum, for the salary range of the position for which they were hired.

Movement Within The Range For Employees Hired Above The Base: Employees who are hired in above the base salary shall not be eligible for the probationary increase, but will be eligible for increases once per year (2080 hours) until the maximum salary is reached for the applicable salary range

Adjustment of Salary Ranges: The Council may decide to adjust the salary ranges for the City based on market or other considerations, at their discretion. When the ranges are adjusted, each step in each range shall normally be increased by a like percentage. The pay of individual employees shall normally be adjusted accordingly. The Council may determine that a job class and its incumbents should not receive the adjustment based on the internal comparable work value as compared to other employee job classes in the City. Conversely, the Council may decide to increase one or more job classes more than other job classes based on recruitment or retention difficulties or comparability to other job classes within the City.

Compensation of each class shall be determined in compliance with MS Sections

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"PROBATION" - The first six months of employment with the City or the first ninety days of employment in a new position for a regular City employee. This period is designated as a trial period and is considered the last part of the selection process.

"PROMOTION" - Movement of an employee from one job class to another within the City, where the maximum salary for the new position is higher than that for the former position.

"PROVISIONAL APPOINTMENT" - Appointment to a City position on a temporary basis where no credit is given for seniority and no benefit eligibility exists.

"REGULAR EMPLOYEE" - An employee who has successfully completed all stages of the selection process including probation.

"TEMPORARY APPOINTMENT" - Used interchangeably with the term provisional appointment.

"TRANSFER" - Movement of an employee from one job class to another or one position to another of equivalent pay.

SECTION 4 - APPOINTMENTS

All appointments to municipal positions shall be made by the Clerk/Administrator, subject to Council approval, based on merit and fitness for the position, free from personal and political considerations. When required by law, Council, or the Clerk/Administrator, merit or fitness shall be ascertained by written, oral, or other examinations designed to evaluate the ability of the candidate to successfully perform the position for which the examination is held.

It shall be the policy of the City to first consider filling vacancies in municipal service by promotion of qualified non-seasonal, full-time or part-time employees.

Posting of Vacancies: Vacancies for City jobs shall be posted by the Clerk/Administrator for a period of fourteen calendar days. Employees who have the necessary qualifications may indicate their interest in the position to the Clerk/Administrator within the fourteen-day period. Employees who are selected for promotion or transfer shall serve a ninety-day probationary period. Employees who do not pass probation for their new position may be returned to their former position at the sole discretion of the Council, but without loss of seniority.

Provisional Appointments: If necessary to prevent interruption of service or inconvenience to the public, the Clerk/Administrator may make provisional appointments. A provisional appointment may be made for a specified period of time or may be open-

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471.991 to 471.999.

The City will not give out a paycheck to anyone other than the employee without prior written permission (release form) from the employee. A new release form must be signed each time the check is released to anyone other than the employee to whom the check was issued.

Overtime: All hours in excess of forty hours worked by nonexempt employees in a seven day week shall be compensated at the rate of one and one-half times their regular hourly rate of pay. All overtime requires prior authorization by the immediate supervisor or City Administrator.

Full-time hourly wage employees, subject to the right of the City from time to time to declare that all or certain overtime must be compensated by time off or in lieu of paid overtime, will have the option to choose how they would like to be paid for overtime worked. The overtime compensation may be in cash at 1½ times the regular rate of pay or in comp time off at 1½ times each hour worked at the employee's regular rate of hourly pay (regular rate of hourly pay does not include the shift differential), except as provided in paragraph 3.

Stipulations for comp time are as follows:

1) 80 hours maximum earned. Upon reaching the limit, an employee must either receive cash for additional hours of overtime worked, or use some comp time before accruing further comp time.

2) Police and Maintenance Personnel are eligible to earn comp time hours for hours of on-call earned. These hours will be labeled comp-time on-call hours and will be separate from regular comp time hours. 120 hours maximum of comp-time on-call hours can be earned in a year.

3) Employee comp time must be approved by Department Head or City Administrator before taken.

4) Each time upon turning in time cards, employee must let payroll clerk know if overtime will be reimbursed by cash or comp time. Once determined, it cannot be changed at a later date.

5) An employee may cash in up to 40 hours of earned comp time on the last pay period of the year. No more than 120 hours can be cashed in at the end of the year including both comp time and comp time on-call. An employee cannot carry over more than 40 hours of comp-time on-call hours at the end of the year so they must cash in any excess hours. Any unused accrued comp time is forfeited upon resignation or termination.

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6) City is not responsible for informing employees if they have maxed out on their comp hours accrued.

Shift Differential: Any employee working between the hours of 8:00 P.M. and 6:00 A.M. shall be paid an additional $.25 per hour for each hour actually worked during that period.

On-call Hours: Police personnel shall accrue 1 hour of comp time for every 10 hours of on-call time; Maintenance personnel shall accrue 1 hour of comp time for every 13 hours of on-call time. If an employee is called out, on-call time is not paid while the employee is being paid for call-out time. Employees are not required to be on the premises while on-call but police personnel must respond within 15 minutes and utility personnel within 20 minutes of being called. All on-call hours will be labeled on-call comp hours and will be separate from regular comp time hours earned.

All non-exempt employees called back to work additional hours by the City Administrator or Department Head, in addition to their regularly scheduled work shifts, shall be compensated in the following manner:

1) If an employee is called back to work, they are paid a minimum of two hours straight time.
2) If an employee is called back to work and they have worked forty hours or more, they will be paid a minimum of two hours at time and a half.
3) The employee's weekly hours may be adjusted by the City Administrator or Department Head at any time.
4) Sick days, vacation days, and holidays will be considered as part of a workweek when considering both call-out time and overtime compensation.

EXAMPLE:

At the beginning of a week an employee is called out and works fifteen minutes. The employee will be compensated the minimum two hours straight time. If at the end of the week, the employee has worked forty hours, the two hour call out time will be paid at time and a half.**

**The City Administrator or Department Head may elect to have call-out time considered as part of a forty-hour week. In that case, call-out time will be compensated at the two-hour minimum regular rate of pay. (Approved 6/24/92.)

Classes: Employees attending schools, training sessions, classes, seminars, etc. required by the City, shall be compensated at the regular rate of pay for the time attended. Consideration will be given for travel time if applicable. Department Heads

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are responsible for adjusting hours to avoid overtime. Employees will punch time clocks if possible. The City realizes that at multi-day seminars and conferences, evening functions, although often social, can provide valuable information and learning experiences for employees. Therefore, supervisors will have the authority to approve overnight accommodations at such seminars providing the budget for the department allows for such expenditures. Under these provisions it is understood the employee will not count the travel time to location as part of hours worked. However, travel time will be considered for the return trip. Travel time to and from locations the same day is considered time worked. Total mileage will be reimbursed at the allowable Internal Revenue Service rate. This does not apply to exempt employees. (8/11/94)

SECTION 8 - WORKWEEK DEFINED

Standard Workweek: The standard workweek shall be comprised of seven consecutive days consisting of 168 hours (Monday -Sunday). Any hours worked over 40 with a workweek is overtime.

The workweek of employees will conform to the above stated standards. Certain jobs within the City require different work schedules and are established by the department head with the approval of the Clerk/Administrator. It is expected that employees will report to work on time, use their available working hours to the best advantages, and leave only after the regular working hours are completed.

SECTION 9 - REST BREAKS

City employees, when working under conditions where the use of a rest break is practical, shall be allowed to take a 15-minute break approximately midway throughout each four-hour shift, at a time specified by the immediate supervisor.

Because of their unique situation, there may be department specific regulations for police personnel. Unused rest breaks may not be accumulated nor may it be used for any purpose other than a mid-shift rest period.

SECTION 10 - SCHEDULING OF WORK HOURS

Work schedules are determined by the department head to complete the work of the department in the most efficient manner possible. Determining or changing work schedules are the authority of the department heads subject to approval of the Clerk/Administrator.

SECTION 11 - ASSIGNMENT OF WORK

Assignment of work duties and scheduling work is the responsibility of the department head subject to the approval of the Clerk/Administrator. It is recognized that jobs may change over time to respond to the changing needs of the organization. Job descriptions will be prepared for each individual job class in the City. These descriptions will normally be updated annually or more often as duties or assignments change.

Classification of Job Duties: The classification of job duties shall be the responsibility of the Clerk/Administrator, subject to review of the Council. Assignment of job titles, establishment of minimum qualifications and the maintenance of job descriptions and related records shall be the responsibility of the Clerk/Administrator. Whenever a job has changed sufficiently so that it can no longer be described adequately by the existing job description, the Clerk/Administrator shall take appropriate action which could involve: re-classifying the job to another existing job class; creating a new job class; updating the job description; restructuring the job to fit an established or proposed class; or other action as deemed appropriate.

Each job description should contain the phrase "and other duties as required" so that it is clearly understood that job assignments may change at any time based on the needs of the organization.

SECTION 12 - LEAVES OF ABSENCE

The City recognizes that there are times when employees must be absent from work. The following describes the types of leaves of absences available through the City and policies related to the leaves.

Vacation: Vacation leave is accrued in accordance with the vacation schedule described in the Benefits Guide for the City of Paynesville. Vacation may be used as earned, subject to the approval of the department head and Clerk/Administrator.

Normally requests for vacation should be received at least 48 hours in advance of the requested time off. This notice may be waived at the discretion of the department head. Vacation can be requested in increments as small as 15 minutes to the total amount of accrued leave. The maximum number of hours of vacation that any employee may accrue at anytime shall not be more than two times their annual accrual rate. Any hours over the maximum accrual will be forfeited. Employees are responsible for monitoring their accruals. Payroll will post the monthly accrual deadline date. Vacation cannot be converted into cash payments. For purposes of accruing additional vacation or sick leave, using earned vacation time is considered to be working.

Employees leaving municipal service in good standing subject to Section 22 Resignations, shall be compensated at their regular rate of pay for all hours of vacation accrued and unused as of the date of separation.

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Sick Leave: Sick leave is accrued in accordance with the sick leave schedule described in the Benefits Guide for the City of Paynesville. Sick leave shall be granted only for absences due to illness, disability, exposure to contagious diseases (where such exposure would endanger the health of others the employee comes into contact with), or the necessity of medical, dental, or chiropractic care of the employee, or the employee's parents, spouse, or children. Sick leave may be accumulated with no maximum limit. Effective 1/8/92, all full-time employees hired after 1/1/92, will be able to accumulate a maximum of 125 sick days. The employee will automatically lose any sick days over 125. For the purpose of accumulating additional vacation or sick leave, using earned sick leave is considered working.

Sick leave for medical, dental or chiropractic care should be requested at least 48 hours in advance with the exception of emergency situations.

If an employee should become sick on a scheduled day of work, the employee is to contact his or her supervisor or some alternate individual (in the absence of your supervisor) directly by telephone by 8:30 a.m. (for employees scheduled from 8am-5pm) of the day on which sick leave is to be claimed in order to obtain approval. For employees working different time schedules (i.e. Police Department, Public Works, Liquor Store), an employee must contact his or her supervisor or some alternate individual (in the absence of your supervisor) directly by telephone no later than 30 minutes after scheduled shift is to begin. In the absence of contact with the supervisor, the employee may obtain a doctor's statement. Failure to obtain approval from the employee's supervisor or a doctor's statement will result in an unauthorized absence.

Use of sick leave is subject to the approval of the employee's supervisor. A doctor's statement may be required for any absence of three or more consecutive days, or for more frequent absences or absences that follow a pattern (such as the same day of the week or after holiday weekends, etc.).

Using or claiming sick leave for a purpose not authorized in this section shall be cause for disciplinary action.

Employees who are drawing compensation under the Worker's Compensation Law for a work-related injury, shall be entitled to payment from his/her accumulated sick leave of an amount equal to the difference between such compensation and the employee's normal earnings.

Employees leaving municipal service in good standing subject to Section 22, Resignations, shall be compensated at their regular rate of pay for one-eighth of their accumulated and unused sick leave hours to a maximum payment of 100 hours.

School Conferences and Sick Children: Parents of school aged children will be provided an unpaid leave of up to a total of 16 hours during any 12 month period to attend school conferences, classroom or preschool activities related to the employee's child if the conference, classroom, preschool activities cannot be scheduled during non-work hours. The employee may use vacation time for this purpose. The employee should notify his or her immediate supervisor as far in advance as possible when time off is needed.

Employees with children may use their own sick days in order to care for a sick child. The use of sick time to take care of a child who is ill must be used in the same manner as the employee would use the sick time policy for his or her own illness.

Funeral Leave: Employees shall be allowed up to three working days, with pay, as funeral leave days upon the death of an immediate family member. This paid leave will not be deducted from the employee's vacation or sick leave balance. Immediate family is defined as follows: mother, father, spouse, son, daughter, mother-in-law, father-in-law, brother, sister, stepmother, stepfather, stepbrother, stepsister, grandfather, grandmother, grandchild, son-in-law, daughter-in-law, stepchild or a ward of the employee's household.

Any employee selected to be pallbearer for a deceased employee of the City would be allowed one funeral day. Employees of the City may attend the funeral of an employee without loss of pay, with the approval of the department head and the Clerk/Administrator.

Military Leave: Minnesota Statutes Section 192.26 provides that an employee of any municipality who is a member of the National Guard, the Naval Militia, the Officers Reserve Corps, the Naval Reserve, the Marine Corps Reserve or any other reserve component of the military or naval forces of the United States, is entitled to a leave of absence without loss of pay, seniority status, efficiency rating, or benefits for the time such employee is engaged in training or active service not exceeding a total of 15 days in any calendar year.

The leave of absence is only in the event the employee returns to employment immediately upon being relieved from military or naval service, or is prevented from returning by physical or mental disability or other cause not the fault of the employee, or is required by the proper authority to continue in military or naval service beyond the 15 day period allowed for the paid leave of absence.

Notice shall be given the employer at least fifteen (15) working days in advance of the requested leave. Notice may be waived under certain circumstances.

In accordance with State Law, the employee shall be granted an unpaid leave of absence when called to active duty. If an employee has not yet used their fifteen (15) days of paid leave when called to active duty, any unused paid time will be allowed prior

to the unpaid leave of absence.

Eligibility for continuation of insurance coverage will follow the same procedures as for any terminated or laid-off employee while the employee is on an unpaid leave of absence for active duty. In addition, the leave of absence shall be considered work time for the purposes of vacation and sick leave accrual.

Returning reservists have the right to return to their jobs or another job of similar seniority, status, and pay upon completion of active duty in accordance with MS 192.261, Subd. 2 and 38 U.S.C. Section 2021 and 2024.

Jury or Witness Duty: When an employee performs jury duty or is subpoenaed as a witness in court or voluntarily serves as a witness in a case in which the City is a party, the employee is entitled to compensation from the City equal to the difference between the regular pay and the amount received as a juror or witness.

School Conference Leave: Any employee who has worked half time or more, for more than twelve consecutive months, may take leave of up to a total of sixteen hours during any school year to attend school conferences or classroom activities related to the employee's child (under 18 or under 20 and still attending secondary school), provided the conference or classroom activities cannot be scheduled during nonworking hours.

Elections/Voting: Any employee who is selected to serve as an election judge pursuant to MS Section 204B.21 Subd. 2, will be allowed time off without pay for purposes of serving as an election judge, provided that the employee give the City ten days written notice.

All employees who are eligible to vote at a state general election or at an election to fill a vacancy in the office of the United States Senate or Representative shall be allowed time off with pay to vote during the morning of election day.

Holidays: Employees of the City are eligible for paid time off according to the holiday schedule provided in the Benefit Guide for the City of Paynesville. If a holiday falls on a Saturday, the preceding Friday will be the observed holiday. If the holiday falls on a Sunday, the following Monday shall be the observed holiday.

An employee who is required to work on a legal holiday will be paid one and one-half time for the holiday and will receive the holiday pay at straight time.

All full time employees shall be granted one paid floating holiday per year after the first year of employment. Requests to take off the floating holiday will follow the same procedure as that of vacation requests. A floating holiday must be used in the same year it was accrued. It must be used before the last payroll ending date of the last payroll of

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the year or it will be forfeited.

Medical Leave: Employees may be eligible for an unpaid leave of absence from employment in the case of illness or temporary disability (to include pregnancy and childbirth) when all accrued sick leave has been used and the employee is not yet able to return to work. An employee is not required to use accrued vacation leave in this situation but such leave may be approved if requested. All medical leave of absence requests must be accompanied by a physician's statement stating the expected duration of the disability/illness.

Personal Leaves: Other leaves of absences without pay may be granted depending on the circumstances, but in no case shall any leave of absence exceed one year without approval of Council. Employees will normally be expected to pay their own insurance premiums until such time as an employee returns to his/her regular duties.

SECTION 13 - AFFIRMATIVE ACTION

Equal employment opportunity has been and continues to be both the policy and the practice of the City. The City does not discriminate any employment opportunities or practices on the basis of race, color, religion, national origin, sex, age, marital status, status with regard to public assistance, membership or activity in a local commission, disability or sexual orientation or citizenship status. It is the responsibility of all City department heads and supervisors to ensure implementation of this policy.

Employees with questions or concerns about any type of discrimination in the work place are encouraged to bring these issues to the attention of their supervisor or the City Administrator. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaged in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

SECTION 14 - SEXUAL HARASSMENT

It is the City's policy that harassment, including but not limited to sexual harassment, and offensive behavior of employees is prohibited. An employee found to have acted in violation of this policy are be subject to appropriate disciplinary action, which may include immediate termination.

"Sexual Harassment" includes unwelcome sexual advances, requests for sexual favors, sexually motivated physical contact or other verbal or physical conduct or communication of a sexual nature when:

1. Submission to the undesirable conduct or communication is made a term or condition, either explicitly or implicitly, of an

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individual's employment;

2. Submission to or rejection of that conduct or communication by the individual is used as a factor in decisions effecting that individual's employment;

3. That conduct or communication has the purpose or affect of substantially interfering with an individual's employment or creates an intimidating, hostile or offensive work environment; and the employer knows or should know of the existence of the harassment and fails to take timely and appropriate action; or

4. Such conduct or communication occurred because of the sex of the victim even though it is not clearly sexual in nature or an explicit sexual advance.

Conduct prohibited by this policy may include, but is not limited to, unwanted sexual comments, compliments, flirtations, clothing, body or sexual activity; unwanted and unnecessary touching, brushing against, patting or pinching; requests for sexual favors; unwelcome and repeated invitations to social engagements or other activities; display in the work place of sexually suggestive pictures, cartoons or objects; any indication or threat, express or implied, that an employee's job security, job assignment, conditions of employment, or opportunities for advancement may depend on the granting of sexual favors; conduct, whether deliberate or careless, which creates an intimidating, hostile or offensive work environment interfering with the employee's work.

This City also prohibits conduct which creates a hostile work environment for employees based on their national origin, race, age, sex, disability, religion, marital status, sexual preference, status with regard to public assistance, membership or activity in a local commission, or citizenship. The same reporting and investigation procedure will be used for all forms of harassment.

(a) Reporting an Investigation

Any knowledge about or charges of a violation of this policy must be reported to the employee's immediate supervisor, the City Administrator, the Mayor or a Council Member. All allegations of sexual harassment or offensive behavior will be investigated promptly, fairly and completely. The investigation may be conducted by a third party designated by the City who is knowledgeable in conducting such investigations. The facts shall determine the response to each complaint. Each situation will be handled as discretely as possible. Resolutions of complaints can include, but not necessarily be limited to, an apology, direction to stop the offensive behavior, counseling or training,

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warning, suspension with or without pay, or termination. In the event that the sexual harassment or offensive behavior recurs, it should immediately be reported to the employee's immediate supervisor, the City Administrator, the Mayor or a Council Member.

This policy also prohibits retaliation against employees who bring sexual harassment or offensive behavior complaints or assist in investigating such complaints. However, any employee found to have knowingly or intentionally made a false complaint of a violation of this policy or found to have knowingly given false information during an investigation of such a complaint may also be subject to disciplinary action, which may include termination of employment.

Supervisors will be evaluated on their adherence to this policy, their monitoring of employees under their supervision and their resolution of complaints and problems. Retaliation or intimidation directed towards anyone who makes a complaint will not be tolerated.

Employees should understand that this policy applies to all full-time, part-time and temporary employees to each and every member and employee of the City and also includes the Mayor, the City Council, elected officials, members of city boards, commissions, and committees, volunteer fire fighters, and other volunteer personnel, the civil defense director and any other employees not employed in a regular position.

(b) Consensual Relationship

Consenting of voluntary romantic and sexual relationships between co-workers or a supervisor and employee, while not forbidden, are considered by management as unwise and having the potential for charges of sexual harassment. A charge of sexual harassment arising out of this relationship will be investigated under these policies and procedures in the same manner as any other charge.

(c) Importance of Communication

Individuals are often not aware of the offensive nature of their behavior. Also, the work place is composed of individuals who have varying levels of sensitivity. Respect for co-workers and effective communication is necessary elements in achieving the goal of a work place free from harassment.

(d) Types of Other Discrimination and Harassment

This policy and the procedures for reporting complaints apply to all types of perceived harassment or discrimination and should be utilized for any complaints of that nature.

SECTION 15 - EMPLOYEE RECORDS & PRIVACY

The City considers information maintained in employee personnel records as confidential and proprietary. The collection and retention of employee information is limited to what is necessary for City business. The policy regarding records will comply with the Minnesota Personnel Records Access Act.

Internal access to personnel records and files is limited to those employees having an authorized, business related "need to know." outside third parties only have access to records if it is legally required or requested by the employee, e.g. State Investigatory Officials, OSHA, mortgage requests, credit checks, etc.

Under the Minnesota Personnel Records Access Act and City Policy, employees may review their personnel records at least once every 6 months. Former employees may review their records once during their first year of separation. Employees may review their personnel records by submitting a written request to the City Administrator. Review of the record is limited to the employee and is not available to an employee's relatives, or representatives.

Employees who dispute information in their record must submit a written request to the City Administrator for a copy of the disputed information. Employees should then discuss the issue with their supervisor and/or the City Administrator to see if the dispute concerning the information can be resolved. If an agreement cannot be achieved, employees may submit a written statement, not to exceed 5 pages, for placement in their personnel record that identifies the disputed information and their position on the issues. This document will remain with the disputed information for so long as it is retained in their personnel file.

SECTION 16 - PERSONNEL RECORDS

The City attempts to maintain complete and accurate personnel information. It is the responsibility of each employee to notify the City Administrator of appropriate personal changes that would apply to payroll or company provided benefit plans. Such changes might include adjustments in their name, address, tax information, dependents claimed, or other applicable information.

SECTION 17 - IMMIGRATION LAW COMPLIANCE

In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete this form if they have

not completed an I-9 at the City within the past 3 years, or if their previous I-9 is no longer valid or has not been retained.

Employees with questions or seeking more information on immigration law issues are encouraged to contact the City Administrator. Employees may raise questions or complaints about immigration law compliance without fear of reprisal.

SECTION 18 - EMPLOYMENT APPLICATIONS

The City relies on the accuracy of information contained in the employment application, as well as the accuracy of other data presented through the hiring process and during the period of employment. Any misrepresentations, falsifications, or material omission in any of this information or data may result in the exclusion of the individual from further consideration for employment, or, if the person has been hired, termination of employment.

SECTION 19 - SAFETY

The personal health and safety of each employee of the City and the prevention of occupational injuries and illnesses are of primary importance to the City. To the greatest degree possible, management will maintain an environment free from unnecessary hazards and will establish safety policies and procedures for each department. Adherence to these policies is the responsibility of each employee. Over-all administration of this policy is the responsibility of the Clerk/Administrator.

Safety/Accident Reporting: Workers compensation benefits and OSHA (job safety laws) require that all on the job accidents and sicknesses be reported as soon as possible by the employee, or on behalf of the injured or sick employee, to his/her department head.

Where safety equipment is required by federal, state, or local rules and regulations, it shall be a condition of employment that such equipment be worn by the employee. The City will provide basic safety eyewear protection (limited to lens and frames) and will replace items due to normal wear and tear for all employees. Personal upgrading, eye examinations, lost or destroyed items because of carelessness, will be the responsibility of the employee. Safety boots and shoe wear will be provided to all employees who work in the maintenance department (full-time & part-time). Boots will be replaced no more than once a year for full-time employees and no more than once every two years for part-time employees. The Public Works Director must approve all purchases. If the Public Works Director does not feel that a replacement is necessary at the time, he has the authority to decline the purchase. This decision will be based on the condition of the previous pair of safety boots. (2/11/98) Safety coveralls will be provided to full-time

employees only. Supervisors will monitor the care of items. Employees will turn in equipment except eyewear and footwear upon termination. (10/13/93)

Effective 8/1/95, the city will pay for uniform rental for Public Works Department employees. Effective 1/1/02, the City will provide all uniforms for its police officers. The Chief of Police will approve all purchases for uniforms. The city will pay for all emblems, insignia, and brass for all police officers.

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SECTION 20 - SMOKING

In the interest of good health, the City discourages employees from smoking. Smoking within City buildings, offices, and work sites is governed by the Minnesota Clean Indoor Air Act.

Approved smoking areas must be clearly designated. There will be no smoking in areas not designated as smoking areas. If smoking results in discomfort to others, smokers are required to stop smoking. Smoking in non-approved areas may result in disciplinary action.

SECTION 21 - DRUG FREE WORK PLACE

In accordance with Federal Law, the City of Paynesville has adopted the following policy on drugs in the work place: Employees are expected and required to report to work on time and in appropriate mental and physical condition for work. It is our intent and obligation to provide a drug free, safe and secure work environment.

The unlawful manufacture, distribution, possession, or use of an illegal controlled substance on City property or while conducting City business is absolutely prohibited. Violations of this policy will result in disciplinary action, up to and including termination, and may have legal consequences.

The City recognizes drug dependency as an illness and a major health problem. The City also recognizes drug abuse as a potential health, safety, and security problem. Employees needing help in dealing with such problems are encouraged to use their health insurance plans as appropriate.

Employees must, as a condition of employment, abide by the terms of the above policy and must report any conviction under a criminal drug statute for violations occurring on or off work premises while conducting City business. A report of the conviction must be made within five days after the conviction as required by the Drug Free Work Place Act of 1988.

SECTION 22 - WORK RULES/CODE OF CONDUCT

In order to provide direction to all municipal employees, to ensure an efficient and effective work environment, and to avoid possible misunderstandings, the City has established a uniform and equitable policy that establishes work rules. This section describes these rules. The Clerk/Administrator may issue administrative directives to expand, clarify, or amend these rules at his/her discretion.

<u>Conduct as a City Employee:</u> In accepting City employment, you have become a

representative of the City and are responsible for assisting and serving the citizens for whom you work. An employee's primary responsibility is to serve the residents of Paynesville.

Employees are expected to:

1. Be courteous at all times and display a cheerful, polite attitude;
2. Be neat, keep their work place as neat as possible, and dress appropriately for their respective jobs;
3. Be dependable and accountable;

Overall, employees should exhibit conduct that is ethical, responsive, and of high standards becoming of a city employee.

CITY OF PAYNESVILLE
ORGANIZATION CHART

Mayor	Council Member	Council Member	Council Member	Council Member

****

CITY CLERK ADMINISTRATOR

CITY DEPARTMENT HEADS

Public Works	Police Chief	Liquor Store Manager	Economic Development Director

CITY DEPARTMENTS STAFF

SECTION 23 - PERFORMANCE APPRAISAL

Periodically, written evaluations of performance of assigned duties and responsibilities should be made for all regular and probationary employees. These ratings will normally be conducted by the immediate supervisor and reviewed by the Clerk/Administrator. The evaluations should be discussed with the employee and the written evaluation signed by the employee, his/her supervisor and the Clerk/Administrator.

Copies of these evaluations should be kept in the employee's personnel file as long as

the employee is employed with the City. Employees have the right to prepare additional written comments, if they so desire, and these will be attached to the written evaluation and placed in the file. Access to these records is governed by the Minnesota Data Privacy Act.

Performance evaluation is a basic tool of supervision and employee development. Employees and supervisors can gain a better understanding of the job to be done and the methods available for accomplishing it. Performance expectations can be clarified and goals can be formally communicated. Although day-to-day communication should never be replaced, periodic reviews provides an opportunity to step back, take a look at how an employee is developing and contributing, and share insights, ideas, and feedback on how the performance relates to the overall goals of the City.

SECTION 24 - DISCIPLINE

Supervisors are responsible for maintaining compliance with City standards of employee conduct. Most employees want to be a part of an orderly, well-organized, productive group and do not object to the establishment of reasonable rules and standards of behavior.

The objective of this policy is to establish a standard disciplinary process for employees of the city of Paynesville. The focus is on correcting unacceptable behavior and encouraging good performance. The City of Paynesville will use normally used progressive discipline. The following steps will normally be included in the process, but they may be deviated from if the circumstances warrant it.

1. Oral Warning
2. Written Warning
3. Suspension
4. Dismissal

Employees should be advised of the City's expectations including specific performance expectations associated with their individual position, general expectations for all employees in the department and City policies, procedures and standards of performance.

Oral warnings should normally be given for first infractions to clarify expectations and put the employee on notice that the performance or behavior needs to change, and what the change must be.

Written warnings are more serious and normally follow oral warnings when the problem is not corrected or behavior is not consistently improved given a reasonable period of time for improvement. Serious infractions may require skipping either the oral or written warning, or both.

Suspensions: The Clerk/Administrator may suspend any employee for up to 14 calendar days in any one calendar year, without pay, for disciplinary reasons. For any suspension of more than five days, or any second suspension for the same individual, the Council shall review the reasons for the suspension and upon review will make a decision as to the future status of the employee and his/her employment with the City.

Discharge: Subject to State law on veteran's preference and MS Sections 181.931 - 181.935, the Clerk/Administrator may dismiss an employee for substandard work performance, behavior not in keeping with City standards, or if in his or her judgement the employee is unsuited to employment with the City. All dismissals are subject to the approval of the Council. Non-probationary employees shall have a right to a pre-termination hearing with the Clerk/Administrator during which they will be given an opportunity to explain their behavior and/or performance. Removal of veterans may be made only for incompetence or misconduct shown after a hearing with due notice (MS 197.46).

Appeal Rights: An employee suspended for more than five days or dismissed shall be given a hearing, at their request, before the Council. The hearing must be requested in writing within 10 days of the dismissal.

SECTION 25 - RESIGNATIONS

Any employee wishing to leave municipal service in good standing shall submit a written resignation to the department head at least 14 calendar days before their last working day. The resignation must state the effective date.

Unauthorized absence from work for a period of three working days will be considered as a resignation from employment (not in good standing). The Clerk/Administrator may waive this rule if, in his or her judgement, extenuating circumstances warrant such a waiver.

SECTION 26 - GRIEVANCES

It is the policy of the City to prevent instances of grievances insofar as possible and to deal promptly with those that occur. Verbal grievances should generally be made before more serious written grievances and should follow the outline, except in cases of sexual harassment. More serious written grievances may go into any level. Employee grievances should be directed to the department head. If the grievance cannot be resolved at that level, the grievant and department head shall present the matter to the City Administrator. If it cannot be resolved at that level, the grievance shall be referred to the Council's Personnel Committee for discussion and resolution. The Personnel Committee will refer their recommendation to the full Council for final action.

COUNCIL

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COUNCIL PERSONNEL COMMITTEE

*

COUNCIL, ADMINISTRATION, EMPLOYMENT RELATIONS COMMITTEE

*

CITY ADMINISTRATOR

*

DEPARTMENT HEAD

*

EMPLOYEE

SECTION 27 - LAYOFFS

The City Council may lay off any employee whenever such action is necessary by reason or lack of work, shortness of funds, the abolition of the position, or changes in organization. However, no permanent employee shall be laid off while there are temporary, provisional, or probationary employees serving in the same class or a position for which the employee is qualified, eligible, and available.

SECTION 28 - TIME CLOCK

Employees punching **IN** are not allowed to punch in earlier than eight (8) minutes prior to their scheduled shift. It is expected that employees be ready to work at the start of a shift and to remain until the completion of a shift. Employees punching **OUT** are not allowed to punch out later than eight (8) minutes after their shift. If punching out eight (8) minutes or less from that hour the employee will be paid for that hour. If punching out nine (9) or more minutes the Employee will be paid at the nearest quarter hour. The City expects Employees to adhere to this policy.

Disciplinary action would be taken if habitual punching in late or punching out early for or of a scheduled shift. Please be punctual and do not punch out later than eight (8) minutes after your shift. Employees are not allowed to punch other Employees' time cards. Employees must punch in and out for an unpaid lunch. If the employee forgets to punch their timecard write in the correct time and have the Department Head initial their time card. Employees are responsible for working with their Department Heads in adding up their time cards on a daily basis and refer to them if adjustments are to be made in their hours to avoid overtime. Overtime must be cleared by the Department Head ahead of time and the time card must be initialed by the Department Head. (Effective 2/1/93)

SECTION 29 - AUTHORITY

This policy shall be in full force and effect from the date of publication of the Council action approving this document. Changes can be made at the discretion of the Council by resolution following normal adoption procedures. The Clerk/Administrator is responsible for interpretation of these policies.

SECTION 30 - NAME BADGES

It is mandatory that all City Staff (part-time and full-time) be required to wear a nametag or emblem while on duty. Motion carried.

BENEFITS GUIDE FOR THE CITY OF PAYNESVILLE.

The following is a guide of benefits available to City employees. This guide is subject to change by the City Council. In accordance with the personnel policies, full-time employees are eligible for the following benefits:

Vacation - Vacation shall accrue according to the following schedule:

YEARS OF SERVICE	FIGURED IN DAYS	FIGURED IN HOURS
1	10.00	80
2	11.25	90
3	12.50	100
4	13.75	110
5	15.00	120
6	16.00	128
7	17.00	136
8	18.00	144
9	19.00	152
10	20.00	160
11	20.50	164
12	21.00	168
13	21.50	172
14	22.00	176
15	22.50	180
16	23.00	184
17	23.50	188
18	24.00	192
19	24.50	196
20	25.00	200
21	25.50	204
22	26.00	208
23	26.50	212
24	27.00	216
25	27.50	220
26	28.00	224
27	28.50	228
28	29.00	232
29	29.50	236
30	30.00	240

(Approval date 7/22/92)

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Vacation days for new employees shall be prorated from the date of hire through December 31st of that year. At the discretion of the Council, the City may elect to give credit for previous experience in establishing the vacation accrual rate for new employees. The maximum number of hours of vacation that any employee may accrue at anytime shall not be more than two times their annual accrual rate. Any hours over the maximum accrual will be forfeited. Employees are responsible for monitoring their accruals.

Sick Leave - Sick leave shall accrue at the rate of one day (8 hours) per month, or fraction thereof. There is no minimum accrual. All full time employees hired after January 1, 1992 will be able to automatically accumulate a maximum of 125 sick days. The employee will automatically lose any sick days over 125. (Effective January 8, 1992)

Holidays - The following shall be recognized as paid legal holidays:

New Year's Day
Martin Luther King Day
President's Day
Memorial Day
Independence Day
Labor Day
Veteran's Day
Thanksgiving Day
Christmas Eve Day (**See note below on this holiday)
Christmas Day

*Payment of all paid leaves and holidays shall be at the employee's regular rate of pay.

**Christmas Eve Day: All employees who are termed fulltime and working a 40 hour set schedule of Monday through Friday will regard the Christmas Eve Day Holiday as a paid (straight time) four hour holiday when Christmas Eve Day falls on Monday through Thursday. For these employees Christmas Eve Day will be excluded if it falls on Friday, Saturday, and Sunday and will not be a paid holiday.

If a fulltime employee who is NOT on a set schedule of Monday through Friday and is scheduled to work on Christmas Eve Day the employee will be compensated for four hours of holiday pay. For these employees Christmas Eve will be recognized Monday through Sunday and only if worked. For these employees the holiday is recognized on the actual day that it falls on. For these employees who are not scheduled to work on Christmas Eve holiday will be compensated for four hours of straight time excluding Friday, Saturday and Sunday.

Medical Insurance - Hospital/medical insurance coverage is provided for all full-time employees and their dependents (to include spouse and children). The City will pay all health insurance costs for the employee and dependents only on the City group insurance plan up to $550.00 per month.

Exceptions --

1. The City has an agreement with one existing employee whereby the City pays the cost of private insurance up to a maximum of $550.00 per month for that employee's private insurance.
2. Where an employee of the City of Paynesville becomes eligible for Medicare, the City will no longer require that the employee and the employee's dependents be covered under the City's group insurance plan and, under those circumstances, will reimburse the employee for the cost of Medicare Part B insurance and the cost of a Medicare supplement up to the maximum contribution of $550.00 per month.

Unless one of the two exceptions recited applies, failure to accept the City's health insurance plan upon hire date is a loss of benefit and will not be compensated in the form of wage increase, other health insurance paid or other form of compensation.

If an employee does not wish to be on the City policy, the employee waives the insurance. The City will not pay for any other type of health insurance for the employee or their dependents except as expressly provided herein. All employees and their dependents are automatically accepted on the City's health insurance policy regardless of health conditions providing they accept the insurance within the 30 days of the 30-day waiting period. If the employee waives the health insurance on hire date or within 30 days of the 30-day waiting period, the City will not be responsible for the employee or dependents failure to be accepted on the policy.

Medical Care Expense Reimbursement Plan - Full-time employees (must have completed their 6-month probationary period) are eligible to participate in the medical care expense reimbursement plan. The maximum contribution an employee can put into the account is $150/month per employee ($1800 annually). All employees must make their contribution amount effective the first payroll of the year. An employee cannot add, delete, or sign up at any other time of the year other than during the annual enrollment period by completing a salary redirection agreement. Forms will be provided to the employees in December by the payroll clerk.

Eligible expenses that may be reimbursed are set by guidelines provided by the Internal Revenue Code Section 125. Only those eligible expenses will be reimbursed. Employees must provide the payroll clerk with the original bill or Explanation of Benefits (EOB) provided by the insurance company; and either a receipt or cancelled check as

proof that the bill has been paid. Money will not be disbursed to the employee until all documentation is provided. All payments will be made the second payroll period of each month. Any claims for payment must be submitted to the payroll clerk no later than the last day of that pay period.

The employee will forfeit any money in an employee's account that is not used by the end of the year. The City is not responsible for any unused portion that an employee fails to use. All guidelines established by Section 125 will be followed to maintain compliance. The Flexible Benefits Plan Summary Description for the City of Paynesville will be used as guidelines. A copy of the plan is available from the payroll clerk.

Dependent Care Expense Reimbursement- Full-time employees (must have completed their 6-month probationary period) are eligible to participate in the dependent care expense reimbursement. The maximum contribution an employee can put into the account is $5000 per plan year or $2500 for married filing separate returns. The city will follow the guidelines provided by the Internal Revenue Code Section 125. All employees must make their contribution amount effective the first payroll of the year. An employee cannot add, delete, or sign up at any other time of the year other than during the annual enrollment period by completing a salary redirection agreement. Forms will be provided to the employees in December by the payroll clerk. The Flexible Benefits Plan Summary Description for the City of Paynesville will be used as guidelines. A copy of the plan is available from the payroll clerk.

Pre-Tax Deductions - Full-time employees are eligible to participate in a pre-tax deduction plan. An employee may have allowable medical insurance expenses deducted from their checks pre-tax. All employees must make their pre-tax deductions effective the first payroll of the year. An employee cannot add any new deductions at any other time of the year. Salary redirection agreement forms will be provided to the employees in December by the payroll clerk to make changes for the next year. An employee's deduction amount can change during the year when rates change or there is a change in family status. All guidelines established by the Internal Revenue Service Code 125 will be followed to maintain compliance.

**We will follow all guidelines as set forth in the Flexible Benefits Plan Summary Plan Description for the City of Paynesville. (Copy is attached)

Life Insurance - Coverage of up to $25,000 is provided for all full-time employees.

Disability Insurance - Short-term disability and long term disability will be provided for all full-time employees, excluding part-time employees (Effective January 1, 1994). Disability Insurance will be paid for all full time employees. Weekly benefits scale will be determined by the City Administrator and the City Council- Personnel Committee.

When Disability Insurance benefits are available, sick leave will pay the percentage difference in wage. The two combined shall not exceed regularly scheduled salary. (Approval date 1/8/92)

Deferred Compensation - The City will participate in a deferred compensation program. All employees are eligible to participate. The City will contribute matching funds up to $1000 for salaried department heads and up to $2000 for the City Administrator per year (12/01), to be pro-rated per year (10/02).

Wellness Program - All full-time employees will be allowed to convert accrued sick leave at the Federal Minimum Wage rate to use for the following:

- Exercise programs or activities (such as aerobics, golf, softball, etc.)
- Health or wellness classes (such as weight loss, smoking cessation, stress reduction, etc.)
- Membership fees in health or exercise clubs
- Entry fees for team sports (such as softball, etc.)

Participation is strictly voluntary. All employees must maintain a minimum balance of 100 hours of accrued sick leave at all times to qualify for reimbursement. Employees must maintain this minimum after reimbursement to remain eligible. The maximum number of hours used per year is 100.

Clothing, equipment, lockers, and guest fees are ineligible for reimbursement.

Only those activities and classes location in the community of Paynesville will be eligible for reimbursement for employees only. Reimbursement requests must be submitted in writing prior to commencement of the activity or class. The City Administrator must approve reimbursement. Proof of successful completion or attendance may be required. Questions on administration of this program should be directed to the City Administrator.

Family Medical Leave Act

PURPOSE

In accordance with the Family and Medical Leave Act (FMLA), unpaid job protected leave will be granted to all eligible employees (male and female) for up to twelve (12) weeks per twelve (12) month period for any of the following reasons:

A. Birth, adoption or foster care placement of a

child;

B. To care for a spouse, child, parent, step-child, or step-parent who has a serious health condition; or

C. For a serious health condition that makes the employee unable to perform the functions of the position.

ELIGIBILITY

An eligible employee is a regular full-time employee (one that has successfully completed their 6-month probationary period).

LENGTH OF LEAVE

The length of FMLA leave is not to exceed twelve (12) weeks in any twelve (12) month period. The entitlement to FMLA leave for the birth or placement of a child expires twelve (12) months after the birth or placement of a child.

Family and medical leave may be taken in increments up to the full twelve (12) weeks and as small as one hour, depending on the circumstances.

LEAVE YEAR

The leave year will commence the first day the employee is absent from work on FMLA leave.

USE OF ACCRUED LEAVE TIME

The employee is to use all accrued sick leave time before being eligible for the FMLA. The employee may request to use their vacation time, but it is not mandatory. After all sick leave has been used, the employee is then eligible for the FMLA unpaid leave of absence.

NOTICE

A. The employee is to give notice at least thirty (30) days prior to the date on which leave is to begin or if thirty (30) days notice cannot be given, as much notice as possible.

B. Notification for request for FMLA must be submitted in writing.

MEDICAL CERTIFICATION

The employee must submit medical certification to support a request for leave because of a serious health condition of a spouse, child, parents, stepchild and stepparent or the employee.

INTERMITTENT LEAVE

Leave requested because of a serious health condition of either a family member or the employee might be taken intermittently or on a reduced schedule if such leave is deemed to be medically necessary.

RETURN TO WORK

An employee will return to their same position or an equivalent position upon return from FMLA leave.

The employee's health insurance coverage will remain at the same level without requiring a physical exam, qualifying period, or exclusion of pre-existing conditions.

AFFECT ON PENSION

FMLA leave counts as continued service for purposes of retirement of pension plans.

RECORD RETENTION

Records on FMLA leave will be kept along with normal payroll records except that any medical record will be maintained separately as a confidential medical record in accordance

with the law.

BENEFITS

An employee granted a leave under this policy will have their insurance paid by the city under the same conditions and at the same level of city contribution as would have been provided if they had been continuously employed during the leave period. If there are changes in the city's contribution levels while the employee is on leave, those changes will take place as if the employee were still on the job. (12/1/94)

TERMINATION OF FMLA

The employer's obligation under FMLA terminates when one or more of the following criteria have been met:

A. The employment relationship with the employee ends.

B. The employee informs the employer, prior to the completion of FMLA leave, of his or her intent not to return to work.

C. The employee fails to return to work from FMLA leave.

FLEXIBLE BENEFITS PLAN SUMMARY PLAN DESCRIPTION FOR:

CITY OF PAYNESVILLE

		FLEXIBLE BENEFITS PLAN EMPLOYER INFORMATION
1)	Name and Address of Employer/ Plan Administrator:	CITY OF PAYNESVILLE S HELGET/C LUNDGREN 221 WASHBURNE AVE PAYNESVILLE, MN 56362
2)	Employer's Telephone Number:	(320) 243-3714
3)	Employer's Federal Tax Identification Number:	41-6005450
4)	Plan Number Assigned to Cafeteria Plan (e.g., 501 if this is the first ERISA plan number assigned):	501
5)	125 Start Date:	03/01/02
6)	Effective Date of the Plan:	03/01/02
7)	Last Day of the Plan Year: Subsequent Plan Years:	12/31/02 01/01-12/31
8)	Name and Address of Plan Service Provider:	SELF ADMINISTRATION
9)	Name and Title of Registered Agent for Service of Legal Process:	BILL SPOONER LEGAL REPRESENTATIVE
10)	Affiliated Employers which will Participate in the Plan:	

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11) Employer's Type of Business: OTHER

ELIGIBILITY

All Employees employed by the Employer shall be eligible to participate under the Plan except the following: PART-TIME/SEASONAL

An eligible Employee may become a Participant in the Plan:

( ) Immediately, upon the first day of employment (but not prior to the Effective Date of the Plan).
( ) On the day following commencement of employment.
( ) On the first day of the month following days of employment.
(X) Other: AFTER 6 MOS PROBATIONARY PERIOD provided the Employee completes a Salary Redirection Agreement ("SRA"). However, eligibility for coverage under any given Benefit Plan or Policy shall be determined by the terms of that Benefit Plan of Policy, and reductions of the Employee's Compensation to pay Pre-tax or After-tax Premiums shall commence when the Employee becomes covered under the applicable Benefit Plan or Policy.

An eligible Employee may become a Participant in the Dependent Care and/or Medical Expense Reimbursement Plan(s) (if elected below):

( ) On the same day such Employee is eligible for the Pre-Tax Premium benefits under the Plan.
( ) On the day following commencement of employment.
( ) On the first day of the month following days of employment.
( ) Other: OTHER, provided the Employee completes an SRA selecting such benefits.

BENEFITS PROVIDED UNDER THE PLAN

The following Benefit Plans and Policies subject to the terms and conditions of the Plan are available for election by eligible Employees. The maximum a Participant can contribute via the SRA is the maximum aggregate cost of the Benefit Plans or Policies elected minus any Nonelective Contribution made by the Employer. It is intended that such Pre-tax Contribution amounts shall, for tax purposes, constitute an Employer contribution, but may constitute Employee contributions for state insurance law purposes. Copies of the Benefit Plans or Policies (or a list of eligible Policy numbers) shall be attached as an appendix to this Plan.

(X) Medical Coverage
( ) Vision Care Coverage
( ) Disability Income - Short Term (A&S)
(X) Cancer Insurance
(X) Group Dental Coverage
( ) Group Term Life Insurance
( ) Disability Income - Long Term (LTD)
(X) Intensive Care Insurance
(X) Accident Insurance
(X) Hospital Indemnity Insurance (HIP)
(X) Specified Health Event
( ) Personal Sickness Indemnity (PSI)
(X) Medical Care Expense Reimbursement described in Appendix II to this SPD, not to exceed $ 1,800 per Plan Year pursuant to the CITY OF PAYNESVILLE Medical Care Expense Reimbursement Plan.
(X) Dependent Care Expense Reimbursement described in Appendix II to this SPD, not to exceed $5,000 per Plan Year or $2,500 for married filing separate returns pursuant to the CITY OF PAYNESVILLE Dependent Care Expense Reimbursement Plan.
( ) Opt-out Option: See Employer enrollment material.

THE FUNDING AGENT

The Employer selects the following Funding Agent for the Plan (check one):

☒ The Employer, which will comply with the requirements of Article VII of the Plan.
☐ The Flexible Benefits Trust created concurrently with the execution of the Plan, which shall receive contributions under the Plan in accordance with Article VII of the Plan.

ADMINISTRATIVE EXPENSES

Administrative Expenses incurred in operating the Plan shall be paid by (check one):

☒ The Employer, except as otherwise noted in the Plan.
☐ The Participants, except as otherwise noted in the Plan.

FLEXIBLE BENEFITS PLAN SUMMARY PLAN DESCRIPTION

Introduction

Your employer (the "Employer") is pleased to sponsor an employee benefit program known as a "Flexible Benefits Plan" (the "Plan") for you and your fellow employees. Under Federal tax laws, it is also known as a "cafeteria plan". It is so called because it lets you choose from several different insurance and fringe benefit programs according to your individual needs. The Employer provides you with the opportunity to use pre-tax dollars to pay for them by entering into a salary redirection arrangement instead of a corresponding amount of your regular pay. This arrangement helps you because the benefits you elect are nontaxable; you save social security and income taxes on the amount of your salary redirection. Alternatively, your employer may allow you to pay for any of the available benefits with after-tax contributions on a salary deduction basis.

This Summary Plan Description describes the basic features of the Plan, how it operates, and how you can get the maximum advantage from it. The booklet is only a summary of the key parts of the Plan, and a brief description of your rights as a participant. It is not a part of the official plan documents. If there is a conflict between them and this booklet, the plan document will apply.

By enrolling in the Flexible Spending Account (FSA) option and submitting FSA claims you specifically authorize the Plan, AFLAC and FLEX ONE , and their respective agents, employees, sub-contractors, and assigns to use your personal information in their possession to administer the Plan (including the evaluation of eligibility for reimbursement under the Plan) and to detect or prevent fraud or misrepresentation, and to further disclose such information as is reasonably required for those purposes. You further authorize any provider, insurer, or other entity to release any health or treatment information for the purpose of determining eligibility for Plan benefits or for detecting or preventing fraud or misrepresentation. You further waive and release any claims related to the use, disclosure, or release of such information so long as the information is used in furtherance of administering the Plan (including processing or evaluating a claim for benefits under the Plan) or to detect or prevent fraud or misrepresentation. This authorization does not and is not intended to in any way limit any right the Plan, AFLAC and FLEX ONE , or their respective agents, employees, sub-contractors, and assigns may have under applicable State or Federal law or regulation regarding the use of such information.

PART I
General Information about the Flexible Benefits Plan
Questions & Answers

Q-1. What is the purpose of the Plan?
The purpose of the Plan is to allow eligible employees to use funds provided by the Employer through employee salary redirection, to choose one or more of the Benefit Plans or Policies offered through the Plan, and enable them to pay for the selected coverage(s) with pre-tax dollars.

Q-2. What Benefits can I purchase on a pre-tax basis through the Plan?
You will be able to choose to participate in the Plan's pre-tax program options by filling out any required enrollment form(s) for the component Benefit Plan or Policy. The Plan may also permit you to select Unreimbursed Medical Care Expense Reimbursement or Dependent Care Expense Reimbursement on a pre-tax basis. To the extent described on enrollment materials, employees who opt-out of certain benefits may be entitled to additional cash compensation. The various benefit options available will be described to you in information materials distributed prior to each enrollment period. For the details regarding eligibility provisions, benefit amounts, and premium schedules, please refer to the plan summary of each of the above programs. Ask the Plan Administrator for copies.

Q-3. Who can participate in the Plan?
Each employee of the Employer is eligible to participate in the Plan who meets the description of eligible Employee in the Employer Information Section. Those employees who actually participate in the Plan are called "Participants". An employee continues to participate until he or she: i) elects not to participate in accordance with Q-7; or ii) is no longer employed by the Employer, or Continuation Coverage (as described below) is no longer in effect.

Q-4. What tax advantages are available through the Plan?
The Plan permits you to pay for insurance and fringe benefit programs with pre-tax dollars through salary redirection rather than regular pay. You should note, however, that paying for coverage on a pre-tax basis may cause insurance claim payments under health and medical coverage to be subject to Federal and State taxes if claim payments from all health and medical policies/plans are in excess of medical expenses relating to the condition which triggers the payment. You will be responsible for including such excess amounts (if any) in your tax return. Paying for disability income policies with pre-tax premiums will cause the benefits payable thereunder to be taxable. Alternatively, you may be permitted to pay for the same benefits with after-tax dollars on a salary deduction basis. The Plan may also permit you to select Unreimbursed Medical Care Expense Reimbursement or Dependent Care Expense Reimbursement on a pre-tax basis if these benefits are selected by your Employer as noted in the Employer Information Section.

Q-5. How do I become a participant?
You become a Participant by signing an Individual Salary Redirection Agreement on which you elect one or more of the benefits available under the Plan, as well as agree to a salary redirection to pay for those benefits so elected. You will be provided a Salary Redirection Agreement when you first become eligible to participate. You must complete the form and turn it in to the Personnel Office within the time period specified by the Plan Administrator. If you are eligible on the initial Effective Date of the Plan, you will be able to enter the Plan during the Initial Enrollment Period and shall become a Participant on the date set forth in the Employer Information Section. Otherwise, you will be able to enter the Plan on the effective date of your coverage under the component Benefit Plans or Policies. In future years, a new Salary Redirection Agreement will be made

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available to you by the first day of the Annual Enrollment Period, and you will be given the opportunity to confirm or change your choices made for the previous 12-month period for the coming 12 months beginning on the first day of the next Plan Year. This twelve month period is called the "Plan Year". A Participant who fails to complete, sign and file a Salary Redirection Agreement as required shall be deemed to have elected to continue participation in the Plan with the same benefit elections as during the prior Plan Year (adjusted to reflect any increase/decrease in applicable premiums), and except for a Change in Status, will not be permitted to modify his election until the next Annual Enrollment Period. Notwithstanding the foregoing, annual elections for participation in the Medical Care and Dependent Care Expense Reimbursement Plans must be made by submitting a Salary Redirection Agreement prior to the beginning of each Plan Year -- no deemed elections shall occur with respect to such benefits.

Q-6. What are the enrollment periods for entering the Plan?
The initial period for enrolling in the Plan is the period specified by the Plan Administrator immediately preceding the Plan's Effective Date. Thereafter, the Enrollment Period will be specified by the Plan Administrator and will begin prior to the Anniversary Date and end on the Anniversary Date.

Q-7. Can I change my election during the Plan Year?
Generally, you cannot change your election to participate in the Pre-tax Premium payment option or vary the Pre-Tax Premiums you have selected, during the Plan Year, although your election will terminate if you are no longer working for the Employer. Otherwise, you may change your elections for Pre-Tax Premiums only during the Annual Enrollment Period, and then, only for the coming Plan Year. There are several important exceptions to this general rule. You may change or revoke your previous election for Pre-Tax Premiums during the Plan Year if you file a written request for change with the Plan Administrator within 30 days of any of the following events:

1. FMLA Leave. (Applies to Premium Payment, Health FSA and DCAP Benefits). You may change an election under the Plan upon FMLA leave, as described in Q-16.

2. Change in Status. If one or more of the following Changes in Status occur, you may revoke your old election and make a new election, provided that both the revocation and new election are on account of and correspond with the Change in Status (as described below). Those occurrences which qualify as a Change in Status include the events described below, as well as any other events which the Plan Administrator determines are permitted under subsequent IRS regulations:

(a) a change in your legal marital status (such as marriage, legal separation, annulment, divorce or death of your Spouse).
(b) a change in the number of your tax Dependents (such as the birth of a child, adoption or placement for adoption of a Dependent, or death of a Dependent).
(c) any of the following events that change the employment status of you, your Spouse, or your Dependent that affects benefit eligibility under a cafeteria plan (including this Plan) or other employee benefit plan of yours, your Spouse or your Dependents. Such events include any of the following changes in the employment status: termination or commencement of employment, a strike or lockout, a commencement of or return from an unpaid leave of absence, a change in worksite, switching from salaried to hourly-paid, union to non-union, or part-time to full-time; incurring a reduction or increase in hours of employment; or any other similar change which makes the individual become (or cease to be) eligible for a particular employee benefit.
(d) an event that causes your Dependent to satisfy or cease to satisfy an eligibility requirement for a particular benefit (such as attaining a specified age, getting married, or ceasing to be a student).
(e) a change in your, your Spouse's or your Dependent's place of residence.

If a Change in Status occurs, you must inform the Plan Administrator and complete a new election for Pre-tax premiums within 30 days of the occurrence.

If you wish to change your election based on a Change in Status, you must establish that the revocation is on account of and corresponds with the Change in Status. The Plan Administrator (in its sole discretion) shall determine whether a requested change is on account of and corresponds with a Change in Status. As a general rule, a desired election change will be found to be consistent with a Change in Status event if the event affects coverage eligibility (for Dependent Care Expense reimbursement, the event may also affect eligibility for the dependent care exclusion). In addition, you must also satisfy the following specific requirements in order to alter your election based on that Change in Status:

(a) Loss of Dependent Eligibility. For accident and health benefits (e.g., health, dental and vision coverage, accidental death and dismemberment coverage, and Health Care Expense Reimbursement benefits), a special rule governs which type of election changes are consistent with the Change in Status. For a Change in Status involving your divorce, annulment or legal separation from your Spouse, the death of your Spouse or your Dependent, or your Dependent ceasing to satisfy the eligibility requirements for coverage, your election to cancel accident or health benefits for any individual other than your Spouse involved in the divorce, annulment, or legal separation, your deceased Spouse or Dependent, or your Dependent that ceased to satisfy the eligibility requirements, would fail to correspond with that Change in Status. Hence, you may only cancel accident or health coverage for the affected Spouse or Dependent.

Example: Employee Mike is married to Sharon and they have one child. The employer offers a calendar year cafeteria plan that allows employees to elect no health coverage, employee-only coverage, employee-plus-one-dependent coverage, or family coverage. Before the plan year, Mike elects family coverage for himself, his wife Sharon and their child. Mike and Sharon subsequently divorce during the plan year; Sharon loses eligibility for coverage under the plan, while the child is still eligible for coverage under the plan. Mike now wishes to cancel his previous election and elect no health coverage. The divorce between

Mike and Sharon constitutes a Change in Status. An election to cancel coverage for Sharon is consistent with this Change in Status. However, an election to cancel coverage for Mike and/or the child is not consistent with this Change in Status. In contrast, an election to change to employee-plus-one-dependent coverage would be consistent with this Change in Status.

However, if you, your Spouse, or a Dependent elect COBRA continuation coverage under the Employer's plan, you may be able to increase your contribution to pay for such coverage.

(b) Gain of Coverage Eligibility Under Another Employer's Plan. For a Change in Status in which you, your Spouse, or your Dependent gain eligibility for coverage under another employer's cafeteria plan (or qualified benefit plan) as a result of a change in your marital status or a change in your, your Spouse's, or your Dependent's employment status, your election to cease or decrease coverage for that individual under the Plan would correspond with that Change in Status only if coverage for that individual becomes effective or is increased under the other employer's plan.

(c) Dependent Care Expense Reimbursement Benefits. With respect to the Dependent Care Expense Reimbursement benefit, you may change or terminate your election only if: (1) such change or termination is made on account of and conforms with a Change in Status that affects eligibility for coverage under the Plan; or (2) your election change is on account of and conforms with a Change in Status that affects the eligibility of dependent care or adoption assistance expenses for the available tax exclusion.

Example: Employee Mike is married to Sharon, and they have a 12 year old daughter. The employer's plan offers a dependent care expense reimbursement program as part of its cafeteria plan. Mike elects to reduce his salary by $2,000 during a plan year to fund dependent care coverage for his daughter. In the middle of the plan year when the daughter turns 13 years old, however, she is no longer eligible to participant in the dependent care program. This event constitutes a Change in Status. Mike's election to cancel coverage under the dependent care program would be consistent with this Change in Status.

(d) Group Term Life Insurance, Disability Income, or Dismemberment Benefits. For group term life insurance, disability income and dismemberment benefits, if you experience any Change in Status (as described above), you may elect either to increase or decrease your coverage.

Example: Employee Mike is married to Sharon and they have one child. The employer's plan offers a cafeteria plan which funds group-term life insurance coverage (and other benefits) through salary redirection. Before the plan year Mike elects $10,000 of group-term life insurance. Mike and Sharon subsequently divorce during the plan year. The divorce constitutes a Change in Status. An election by Mike either to increase or to decrease his group-term life insurance coverage would both be consistent with this Change in Status.

2. Special Enrollment Rights. If you, your Spouse and/or a Dependent are entitled to special enrollment rights under a group health plan, you may change your election to correspond with the special enrollment right. Thus, for example, if you declined enrollment in medical coverage for yourself or your eligible dependents because of outside medical coverage and eligibility for such coverage is subsequently lost due to certain reasons (i.e., due to legal separation, divorce, death, termination of employment, reduction in hours, or exhaustion of the maximum COBRA period), you may be able to elect medical coverage under the Plan for yourself and your eligible dependents who lost such coverage. Furthermore, if you have a new dependent as a result of marriage, birth, adoption, or placement for adoption, you may also be able to enroll yourself, your Spouse, and your newly acquired dependents, provided that you request enrollment within 30 days after the marriage, birth, adoption, or placement for adoption. Please refer to the group health plan description for an explanation of special enrollment rights.

3. Certain Judgments and Orders. If a judgment, decree or order from a divorce, separation, annulment or custody change requires your Dependent child (including a foster child who is your tax Dependent) to be covered under this Plan, you may change your election to provide coverage for the Dependent child. If the order requires that another individual (such as your former spouse) cover the Dependent child, you may change your election to revoke coverage for the Dependent child.

4. Entitlement to Medicare or Medicaid. If you, your Spouse, or a Dependent becomes entitled to Medicare or Medicaid, you may cancel that person's accident or health coverage. Similarly, if you, your Spouse, or a Dependent who has been entitled to Medicare or Medicaid loses eligibility for such, you may, subject to the terms of the underlying plan, elect to begin or increase that person's accident or health coverage.

5. Change in Cost. If the Plan Administrator notifies you that the cost of your coverage under the Plan significantly increases or decreases during the Plan Year, regardless of whether the cost change results from action by you (such as switching from full-time to part-time) or the Employer (such as reducing the amount of Employer contributions for a certain class of employees), you may make certain election changes. If the cost significantly increases, you may choose either to make an increase in your contributions, revoke your election and receive coverage under another Benefit Plan or Policy which provides similar coverage, or drop coverage altogether if no similar coverage exists. If the cost significantly decreases, you may revoke your election and elect to receive coverage provided under the option that decreased in cost. For insignificant increases or decreases in the cost of Benefit Plan(s) or Policy(ies), however, the Plan Administrator will automatically adjust your election contributions to reflect the minor change in cost. The Plan Administrator (in its sole discretion) will determine whether the requirements of this section are met. (Please note the above "Change in Cost" exceptions are not applicable to Medical Care Expense Reimbursement accounts under the Plan).

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Example: Employee Mike is covered under an indemnity option of his employer's accident and health insurance coverage. If the cost of this option significantly increases during a period of coverage, the Employee may make a corresponding increase in his payments or may instead revoke his election and elect coverage under an HMO option.

6. Change in Coverage. If the Plan Administrator notifies you that your coverage under the Plan is significantly curtailed you may revoke your election and elect coverage under another Plan option which provides similar coverage. If the significant curtailment amounts to a complete loss of coverage, you may also drop coverage if no other similar coverage is available. Further, if the Plan adds or significantly improves a benefit option during the Plan Year, you may revoke your election and elect to receive on a prospective basis coverage provided by the newly-added or significantly improved option, so long as the newly added or significantly improved option provides similar coverage. Also, you may make an election change that is on account of and corresponds with a change made under another employer plan (including a plan of the Employer or another employer), so long as: (a) the other employer plan permits its participants to make an election change permitted under the IRS regulations; or (b) this Plan permits you to make an election for a period of coverage which is different from the period of coverage under the other employer plan. Finally, you may change your election to add coverage under this Plan for yourself, your Spouse, or your Dependent if such individual(s) loses coverage under any group health coverage sponsored by a governmental or educational institution. The Plan Administrator (in its sole discretion) will determine whether the requirements of this section are met. (Please note that the above "Change in Coverage" exceptions are not applicable to Medical Care Expense Reimbursement accounts under the Plan).

Additionally, the Plan's Administrator may modify your election(s) downward during the Plan Year if you are a Key employee or Highly Compensated Individual (as defined by the Internal Revenue Code), if necessary to prevent the Plan from becoming discriminatory within the meaning of the Federal income tax law.

Q-8. How are my Premium Payments Made?
When you become a Participant your premiums will be paid with that portion of gross income that you have elected to redirect through pre-tax salary redirection. Thereafter, your premiums will be paid with that portion of gross income that you have elected to forego through pre-tax salary.

Benefit Elected	Annual Cost
Dependent Medical Insurance	$ 750.00
Cancer Insurance	$ 276.00
Total Annual Cost	$ 1026.00

Assuming you are paid twice a month, the cost of the above benefits per paycheck would be $42.75. The tax-free total of $1026 would be spread equally over 24 paychecks, or $85.50 per month. Thus, each pay period, the corresponding amounts would be as follows:

Dependent Medical Insurance Premium	$ 31.25
Cancer Insurance	$ 11.50
Total Withheld per Pay Period	$ 42.75

The maximum aggregate level of benefits which may be elected is the cost of any Benefit Plan or Policy coverages elected less any Nonelective Contribution allocable thereto. After-tax Premium coverages will be funded by an amount deducted from your normal compensation which is sufficient to pay for the elected coverages after withholding any applicable State, Federal, or local income, unemployment, or social security taxes.

Q-9. What benefit(s) do I get from participating in the Plan?
Suppose your monthly gross pay is $2,500 per month and your cost for coverage is $140.00 per month. Also, suppose your total withholdings (income tax and Social Security) are 22.65%. After paying for coverage from your after-tax pay, your take home pay is $1,793.75. However, under the pre-tax premium plan, you will be considered to have received $2,360.00 gross pay rather than $2,500 for tax purposes with $140.00 contributed for dependent coverage. This means your take home pay will be $1,825.46 with the pre-tax premium plan rather than $1,793.75 without it. Thus, you save $31.71 per month ($380.52 per year) by participating in the pre-tax premium plan. The following table illustrates this savings:

	With Cafeteria Plan	Without Cafeteria Plan
Gross Monthly Pay	2,500.00	2,500.00
Pre-Tax Insurance Under Plan	140.00	
Taxable Income	2,360.00	2,500.00
Estimated Federal Tax (15%)	354.00	375.00
FICA Tax	180.54	191.25
After-Tax Insurance		140.00
Take Home Pay	1,825.46	1,793.75

Of course, your actual tax-savings will vary depending on your circumstances.

Q-10. What if I terminate my employment during the Plan Year?
If your employment with the Employer is terminated during the Plan Year, your active participation in the Plan will cease, and you will not be able to make any more contributions to the Plan. See the insurance booklets for information on your rights to continued or converted coverage after termination of your employment.

Q-11. Will I have any administrative costs under the Plan?
Unless otherwise indicated in the Employer Information Section, the Employer is bearing the entire cost of administering the Plan.

Q-12. How long will the Plan remain in effect?
Although the Employer expects to maintain the Plan indefinitely, it has the right to modify or terminate the program at any time. It is also possible that future changes in State or Federal tax laws may require that the Plan be amended accordingly.

Q-13. What happens if a Request for Reimbursement is denied?
If your request is for a benefit under one of the component Benefit Plan(s) or Policy(ies), you will generally proceed under the reimbursement procedure applicable under the component Benefit Plan or Policy. However, if you are denied a benefit under this Plan including a benefit under the Medical Care Expense Reimbursement Plan and/or the Dependent Care Expense Reimbursement Plan (such as the ability to pay for premiums on a pre-tax basis) due to an issue germane to your coverage under this Plan (i.e., such as a determination of: a Change in Status; a "significant" change in premiums charged; or eligibility and participation matters under the Flexible Benefits Plan document), the reimbursement procedure under this Plan will apply, and you will be notified in writing by the Plan's Administrator within 30 days of the date you submitted your request if the request is denied. Such notification will set out the reasons your request was denied, and further advise you of what steps, if any, you might take to validate the claim request. It will further advise you of your right to request an administrative review of the denial of the request. This 30-day period may be extended 15 days if the Plan Administrator determines that an extension is necessary for reasons beyond the Plan Administrator's control. You will be notified, in writing, if an extension is necessary. If the extension is necessary because you failed to submit the necessary information to decide the claim, the written notice will indicate what information is required and you will have 45 days from receipt of the notice to provide the required information. You may request a review of a denied claim any time within the 180-day period after you have received notice that the request was denied. You or your authorized representative will have the opportunity to review, free of charge, all "relevant" (as determined by the Plan Administrator in accordance with applicable rules and regulations) documents held by the Administrator and to submit comments and other supporting information. A decision will be reached within 60 days of the date of your request for a review. If your claim is denied on review, in whole or part, you may file suit in Federal or State court. If you fail to make a timely application for administrative review of the denial, you lose your right to sue in State or Federal court.

Q-14. What is "Continuation Coverage" and how does it work?
"Continuation Coverage" means your right, or your spouse and dependents' right, to continue to be covered under any of the component medical benefit plans if the Employer is subject to COBRA (i.e., typically employs 20 or more employees) and participation by you (including your spouse and dependents) otherwise would end due to the occurrence of a "Qualifying Event." A Qualifying Event is:

-termination of your employment (other than by reason of gross misconduct);
-or reduction of your work hours;
-your death;
-divorce or legal separation from your spouse;
-your becoming entitled to receive Medicare benefits;
-when a dependent of yours ceases to be a dependent.

For a Qualifying Event, other than a change in your employment status, it will be your obligation to inform the appropriate Plan Administrator of each medical benefit plan you have elected of its occurrence within 60 days of the occurrence. The appropriate Plan Administrator, in turn, has a legal obligation to furnish you, or your spouse, as the case may be, with separate, written options to continue the coverages provided at stated premium costs with respect to each health plan in which you are a participant. The notification you will receive will explain the terms and conditions of the continued coverage.

Certain Medical Care Expense Reimbursement Expense Account Participants will be eligible for COBRA Continuation Coverage if they have a positive Medical Care Expense Reimbursement Account balance at the time of a Qualifying Event (taking into account all claims submitted before the date of the qualifying event). You will be notified if you are eligible for COBRA Continuation Coverage. However, even if COBRA is offered for the year in which the qualifying event occurs, COBRA coverage for the Medical Care Expense Reimbursement Account will cease at the end of the year and cannot be continued for the next plan year.

Q-15. What effect will Plan participation have on Social Security and other benefits?
Plan participation will reduce the amount of your taxable compensation. Accordingly, there could be a slight decrease in your Social Security benefits and/or other benefits (e.g., pension, disability and life insurance) which are based on taxable compensation.

Q-16. What happens if I take a leave of absence?
(a) If you go on a qualifying unpaid leave under the Family and Medical Leave Act of 1993 (FMLA), to the extent required by the FMLA, the Employer will continue to maintain your Benefits Plans or Policies providing health coverage (including the Medical Care Expense Reimbursement Benefit) on the same terms and conditions as though you were still active (i.e., the Employer will continue to pay its share of the contribution to the extent you opt to continue coverage.
(b) Your Employer may elect to continue all coverage for Participants while they are on paid leave (provided Participants on non-FMLA paid leave are required to continue coverage). If so, you will pay your share of the contributions by the method normally used during any paid leave (for example, on a pre-tax salary redirection basis if that is what was used before the FMLA leave began).

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(c) In the event of unpaid leave (or paid leave where coverage is not required to be continued), if you opt to continue your group health coverage, you may pay your share of the contribution with after-tax dollars while on leave (or pre-tax dollars to the extent you receive compensation during the leave), or you may be given the option to pre-pay all or a portion of your share of the contribution for the expected duration of the leave on a pre-tax salary redirection basis out of your pre-leave Compensation by making a special election to that effect before the date such Compensation would normally be made available to you (provided, however, that pre-payments of pre-tax dollars may not be utilized to fund coverage during the next Plan Year or by other arrangements agreed upon between you and the Plan Administrator (for example, the Plan Administrator may fund coverage during the leave and withhold amounts upon your return). If the Employer requires all Participants to continue coverage during the leave, you may elect to discontinue your share of the required contributions until you return from leave. Upon return from leave, you will be required to repay the contribution not paid during the leave in a manner agreed upon with the Administrator.

(d) If your coverage ceases while on FMLA leave (e.g., for non-payment of required contributions), you will be permitted to re-enter the Plan upon return from such leave on the same basis as you were participating in the Plan prior to the leave, or otherwise required by the FMLA. Your coverage may be automatically reinstated provided that coverage for Employees on non-FMLA leave is automatically reinstated upon return from leave. Notwithstanding the preceding sentence, with regard to Medical Care Expense Reimbursement benefits, if your coverage ceased you will be entitled to elect whether to be reinstated in the Medical Care Expense Reimbursement Plan at the same coverage level (with increased contributions for the remaining period of coverage) or at a Medical Care Expense Reimbursement Plan coverage level reduced pro-rata for the period of FMLA leave during which you did not make any contributions. Under no circumstances will reimbursement be made for claims incurred while Medical Care Expense Reimbursement coverage is not in effect.

(e) The Employer may, on a uniform and consistent basis, continue your group health coverage for the duration of the leave following your failure to pay the required contribution. Upon return from leave, you will be required to repay the contribution in a manner agreed upon by you and the Employer.

(f) If you are commencing or returning from unpaid FMLA leave, your election under this Plan for Benefit Plans or Policies providing non-health benefits shall be treated in the same manner that elections for non-health Benefit Plans or Policies are treated with respect to Participants commencing and returning from an unpaid non-FMLA leave.

(g) If you on an unpaid non-FMLA leave of absence (e.g., personal leave, sick leave, etc.) that does not affect eligibility in this plan or a Benefit Plan or Policy offered under this plan, then you will continue to participate and the contribution due will be paid by pre-payment before going on leave, by after-tax contributions while on leave, or with catch-up contributions after the leave ends, as may be determined by the Administrator. If you go on an unpaid leave that affects eligibility under this Plan or a Benefit Plan or Policy, the election change rules in Q-7 of this Part I will apply. The Plan Administrator will have discretion to determine whether taking an unpaid non-FMLA leave of absence affects eligibility.

PART II

Medical Care and Dependent Care Expense Reimbursement Benefits Questions & Answers

If offered as a benefit(s) under the Flexible Benefits Plan you will have the opportunity to elect to receive income tax-free reimbursement for some or all of your unreimbursed medical expenses under the Medical Care Expense Reimbursement Plan (URM) and/or some or all of your work-related dependent care expenses under the Dependent Care Expense Reimbursement Plan ("DDC"). Under URM and DDC, you purchase a specific level of reimbursement benefits and you provide a source of pre-tax funds to reimburse yourself for your Eligible Expenses. For both, you pay for coverage through the Salary Redirection Agreement with the Employer, in lieu of a corresponding amount of current pay, which means the premiums you pay will be with pre-tax funds. This arrangement helps you because the level of coverage you elect is nontaxable, and you save social security and income taxes on the amount of your salary conversion.

Q-1. Who can participate in the Medical Care Expense Reimbursement Plan and the Dependent Care Expense Reimbursement Plan?

Each employee of the Employer who is eligible to participate in the related Flexible Benefits Plan and has satisfied any additional eligibility criteria set forth in the Adoption Agreement for Medical Care Expense Reimbursement benefits and/or Dependent Care Expense Reimbursement benefits. Married participants must generally file a joint return to be eligible for DDC.

Q-2. How do I become a Participant?

By electing Medical Care Expense Reimbursement benefits and/or Dependent Care Expense Reimbursement benefits during the Initial or Annual Enrollment Periods.

Q-3. What is my Medical Care and/or Dependent Care Expense Reimbursement Account?

If you elect benefits under either the DDC or URM portion of the Plan or both, a non-interest bearing Reimbursement Account ("Account") for DDC, if elected and for URM, if elected, will be set up in your name to keep a record of the reimbursements you are entitled to from each Reimbursement Benefit. These Accounts will be maintained by your Employer, and will be subject to the claims of its general creditors. You should note that these benefits are not insured, and that all benefits are payable from the employer's general assets (even though a third-party may actually process claims payments).

Q-4. What is the maximum URM and/or DDC benefit I may elect?

For URM, you may choose any amount of annual reimbursement you desire subject to the maximum reimbursement amount set forth in the Employer Information Section. You will be required to pay the annual premium equal to the coverage level you have chosen.

For DDC, this is set forth in the Employer Information Section, however, this amount cannot exceed the maximum amount specified in Section 129 of the Internal Revenue Code. The maximum amount is currently $5,000 per Plan Year if you -

-are married and file a joint return; or

-are married, but you furnish more than one-half the cost of maintaining those Dependents for whom you are eligible to receive tax-free reimbursements under the DDC, your Spouse maintains a separate residence for the last 6 month of the calendar year, and you file a separate tax return; or
-are single, or a head of household for tax purposes.

If you are married, reside together, but file a separate Federal income tax return, the maximum DDC benefit you may elect is $2,500.

Q-5. How is my Medical Care and/or Dependent Care Expense Reimbursement benefit paid for and what amounts will be available at any particular time during the Plan Year?

For URM, when you complete the Salary Redirection Agreement, you specify the amount of Medical Care and/or Dependent Care Expense Reimbursement(s) you wish to pay for with your salary redirection. Thereafter, you must pay a premium for such coverage by having an equal portion of the annual premium deducted from each paycheck. Your employer will distribute benefit payments from its general assets. For Medical Care Expense Reimbursement Benefits, the full amount of the coverage you have elected, reduced by the amount of prior reimbursements received during the Year, will be available to reimburse you for your out-of-pocket medical expenses at any time during the Plan Year, provided that you have continued to pay the periodic contributions due for this benefit. For DDC, the amount that is available to your Account at any particular time will be whatever has been credited to such Account less any reimbursements already paid.

Q-6. How do I receive reimbursement under the Plan?

If you elect to participate in URM or DDC, you will have to take certain steps to be reimbursed for your Eligible Medical and/or Eligible Employment Related Expenses (as defined below). When you incur an expense that is eligible for payment, you submit a request to the Plan's Administrator on a Request for Reimbursement form that will be supplied to you.

For URM, you must include written statement(s)/bill(s) from an independent third party(ies) stating that the medical expenses have been incurred, and the amount of such expense(s) along with the Request for Reimbursement form. In addition, you must include an Explanation of Benefits (EOB) form(s) from any primary medical and/or dental insurance carrier(s) indicating the amount(s) which you are obligated to pay.

For DDC, if your reimbursement request is for an amount that is more than your current Account balance, the excess part of the reimbursement will be carried over into following months, to be paid out as your balance becomes adequate. Remember that you can't be reimbursed for any total Dependent Care expenses above your available annual credits to your Account.

With respect to either DDC or URM benefits, you may not be reimbursed for any expenses that arise before your Salary Redirection Agreement becomes effective, or for any expense incurred after the close of the Plan Year.

To have your Request for Reimbursement processed as soon as possible, please read the reimbursement instruction you have been furnished. Please note that it is not necessary that you have actually paid an amount due for Eligible Medical and/or Eligible Employment Related Expenses -- only that you have incurred the expense, and that it is not being paid for or reimbursed from any other source. In addition, you will have 90 days after the end of the Plan Year in which to submit a Request for Reimbursement form for Eligible Expenses incurred during the previous Plan Year. You will be notified in writing if any Request for Reimbursement is denied.

Q-7. What is an "Eligible Expense?"

For URM, an "Eligible Expense" generally means any item for which you could have claimed a medical expense deduction on an itemized Federal income tax return, (without regard to any threshold limitation) for which you have not otherwise been reimbursed from insurance, or some other source ("Eligible Medical Expense"). You should note, however, that Section 125 of the Internal Revenue Code places additional restrictions on such expenses. For example, premiums for accident or health insurance are not Eligible Medical Expenses. Also, expenses for long-term care services are not eligible.

For DDC, You may be reimbursed for work-related expenses incurred on behalf of any individual in your family who is under age 13 who resides with you and for whom you could claim as a Dependent exemption on your Federal income tax return; any other Dependent who is mentally or physically incapable of caring for himself or herself; or your Spouse, if the Spouse is likewise physically or mentally incapacitated ("Eligible Employment Related Expenses"). Generally, these expenses must meet all of the following conditions for them to be Eligible Employment Related Expenses:

1. The expenses are incurred for services rendered after the date of your election to receive Dependent Care Expense Reimbursement, and during the calendar year to which it applies.
2. Each individual for whom you incur the expenses is
   (a) Dependent under age 13 whom you are entitled to a personal tax exemption as a Dependent, or
   (b) a Spouse or other tax dependent who is physically or mentally incapable of caring for himself or herself.
3. The expenses are incurred for the care of a Dependent (as described above), or for related household services, and are incurred to enable you to be gainfully employed.
4. If the expenses are incurred for services outside your household and such expenses are incurred for the care of a Dependent who is age 13 or older, such Dependent regularly spends at least 8 hours per day in your home.
5. If the expenses are incurred for services provided by a dependent care center (i.e., a facility that provides care for more than 6 individuals not residing at the facility), the center complies with all applicable State and local laws and regulations.
6. The expenses are not paid or payable to a child of yours who is under age 19 at the end of the year in which the expenses are incurred or an individual for whom you or your spouse is entitled to a personal tax exemption as a Dependent.
7. This reimbursement (when aggregated with all other Dependent Care Reimbursements during the same year) may not exceed the least of the following limits:
   (1) $5,000

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(2) $2,500, if you are married but you and your Spouse file separate tax returns.
(3) Your taxable compensation (after your salary reduction under the Plan).
(4) If you are married, your Spouse's actual or deemed Earned Income.

For purposes of (4) above, your Spouse will be deemed to have Earned Income of $200 ($400 if you have two or more Dependents described in paragraph 2 above), for each month in which your spouse is: (i) physically or mentally incapable of caring for himself or herself, or (ii) a full-time Student.

You are encouraged to consult your personal tax advisor or IRS Publication 17 "Your Federal Income Tax" for further guidance as to what is or is not an Eligible Expense if you have any doubts. Additional information may be obtained in the Flexible Spending Account Participant's Handbook.

Q-8. When must the expenses be incurred that I may be reimbursed for?
Eligible Medical and Eligible Employment Related Expenses must have been incurred during the Plan Year. You may not be reimbursed for any expenses arising before the Plan became effective, before your Salary Redirection Agreement becomes effective, or for any expenses incurred after the close of the Plan Year, or, except for Continuation Coverage and Eligible Employment Related Expenses, after a separation from service. You may be reimbursed for Eligible Employment Related Expenses that are incurred after a separation from service up to your account balance on the date of separation from service. In addition, IRS regulations require that an expense be actually rendered prior to the time that the expense is reimbursed. Therefore, even if your doctor requires that an expense be paid in advance, you cannot be reimbursed until the service relating to the expense has been rendered. In order to ensure compliance with this IRS requirement, you (and/or your doctor) may be required to submit additional substantiation (such as a proposed treatment plan) with respect to certain long-term treatments (e.g., orthodontic or obstetric expenses). Failure to submit the required forms could result in your reimbursement being pended and/or denied.

Q-9. What if the Eligible Medical or Eligible Employment Related Expenses I incur during the Plan Year are less than the annual amount I have elected for Medical Care and/or Dependent Care Expense Reimbursement?
You will not be entitled to receive any direct or indirect payment of any amount that represents the difference between the actual Eligible Expenses you have incurred, on the one hand, and the annual coverage level you have elected and paid for, on the other. Any amount allocated to an Account shall be forfeited by the Participant and restored to the Employer if it has not been applied to provide the elected benefit for any Plan Year by the ninetieth (90th) day following the end of the Plan Year for which the election was effective. Amounts so forfeited shall be used to offset administrative expenses and future costs.

Q-10. Will I be taxed on the DDC benefits I receive?
You will not normally be taxed on your DDC benefits, up to the limits set out in Q-4. However, to qualify for tax-free treatment, you will be required to list the names and taxpayer identification numbers on your annual tax return of any persons who provided you with dependent care services during the calendar year for which you have claimed a tax-free reimbursement.

Q-11. What is the household and dependent care credit?
The household and dependent care credit is an allowance for a percentage of your annual, Eligible Employment Related Expenses as a credit against your Federal income tax liability under the U.S. Tax Code. In determining what the tax credit would be, you may take into account only $2,400 of such expenses for one Dependent, or $4,800 for two or more Dependents. Depending on your adjusted gross income, the percentage could be as much as 30% of your qualifying expenses (to a maximum credit amount of $720 for one Dependent or $1,420 for two or more Dependents,) to a minimum of 20% of such expenses (producing a maximum credit of $480 for one Dependent or $960 for two or more Dependents). The maximum 30% rate must be reduced by 1% (but not below 20%) for each $2,000 portion (or any fraction of $2,000) of your adjusted gross incomes over $10,000.

Example: Assume you have one Dependent for whom you have incurred Eligible Expenses of $3,600, and that your adjusted gross income is $20,000. Since only one Dependent is involved, the credit will be calculated by applying the appropriate percentage to the first $2,400 of the expenses. The percentage is, in turn, arrived at by subtracting one percentage point from 30% for each $2,000 of your adjusted gross income over $10,000. The calculation is: 30% [($20,000 - 10,000)/$2,000 X 1%] = 25%. Thus, your tax credit would be $2,400 X 25% = $600. If you had incurred the same expenses for two or more Dependents, your credit would have been $3,600 X 25% = $900, because the entire expense would have been taken into account, not just the first $2,400.

Q-12. If I participate in the DDC, will I still be able to claim the household and dependent care credit on my Federal income tax return?
You may not claim any other tax benefit for the tax-free amounts received by you under this Plan, although the balance of your qualified dependent care expenses may be eligible for the dependent care credit.

Q-13. When would I be better off to include the reimbursements in my income and claim the credit, rather than to treat the reimbursements as tax-free.
Generally, if your income tax bracket is 15% or less, you will probably come out ahead by including the DDC benefits in income, and claiming the credits for dependent care. On the other hand, it will generally be better to treat DDC benefits as tax-free the more income taxes you are required to pay. Because the actual determination of the preferable method for treating benefit payments depends on a number of factors such as one's tax filing status (e.g., married, single, head of household, number of Dependents, etc., each Participant will have to determine his or her tax position individually in order to make the decision between taxable and tax-free benefits.

Q-14. Forfeiture of Unclaimed Reimbursement Account Benefits.
Any Reimbursement Account benefit payments that are unclaimed (e.g., uncashed benefit checks) by the close of the Plan Year following the Plan Year in which the Dependent Care Expense was incurred shall be forfeited.

Q-15. What happens to my Reimbursement Account(s) when I take a leave of absence?
The affect of a leave of absence on your Reimbursement Account(s) is described in Q-16 of Part I.

PART III
Premium Benefits

You will be able to choose to participate in one or more of the component insurance or fringe benefit programs designated in the Employer Information Section by separately filling out any required enrollment form(s) for the component Benefit Plan or Policy. You should then select your chosen method for funding the coverage(s) (pre-tax or after-tax) by indicating your choice or choices on the Salary Redirection Agreement, and financing your share of the cost by pre-tax salary redirection or after-tax salary deduction, as described earlier.

For the details regarding eligibility provisions, benefit amounts, and premium schedules, please refer to the plan summary of each, separate plan that will be furnished to you by the Plan Administrator.

PART IV
Electing Less Than The Maximum Annual Benefit

Any portion of your Compensation that you do not choose to apply toward the purchase of the benefits described above will be paid to you as regular, taxable Compensation.

PART V
ERISA Rights

The Flexible Benefits Plan is not an ERISA welfare benefit plan. However, certain component Benefit Plans or Policies (e.g., such as the URM benefit may be subject to ERISA. As a participant in an ERISA-covered Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act ("ERISA"). ERISA provides that all plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as work-sites and union halls, all plan documents, including insurance contracts, collective bargaining agreements and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.
- Obtain, upon written request to the Plan Administrator, copies of all documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 series) and updated Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Continue Group Health Plan Coverage

Continue health coverage for yourself, spouse or dependents if there is a loss of coverage under the plan as a result of a qualifying event. You or your dependents may have to pay for such coverage. Review this Summary Plan Description and the documents governing the plan on the rules governing your COBRA continuation coverage rights. Reduction or elimination of exclusionary periods of coverage for preexisting conditions under your group health plan, if you have creditable coverage under another plan. You should be provided a certificate of creditable coverage, free of charge, from your group health plan or health insurance issuer when you lose coverage under the plan, when you become entitled to elect COBRA continuation coverage, when your COBRA continuation coverage ceases, if you request it before losing coverage, or if you request it up to 24 months after losing coverage. Without evidence of creditable coverage, you may be subject to a preexisting condition exclusion for 12 months (18 months for late enrollees) after your enrollment date in your coverage.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of the plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a (pension, welfare) benefit from the plan, or from exercising your rights under ERISA.

Enforce Your Rights

If your claim for a welfare benefit under an ERISA-covered plan is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits which is denied or ignored in whole or part, you may file suit in a State or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suits in a Federal court. The court will decide

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who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance obtaining documents from the Plan Administrator, you should contact the nearest office of the U.S. Department of Labor, Pension and Welfare Benefits Administration listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Ave., N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

CITY OF PAYNESVILLE
RETIREMENT POLICY

Effective 5/1/97, employees who meet the following criteria would be eligible to receive the following benefits under the retirement policy.

1. Employee with at least 15 years of service who are legally qualified to draw a pension under PERA. Must be a full-time permanent employee.

2. The program will provide one year of single health insurance coverage for every ten years of service. The benefit is based on full 10 year increments (ex. - an employee who works for 17 years would receive one year of insurance).The benefits will end when one or more of the following are reached:

   a. The employee reachs age 65.

   b. The benefit years are exhausted.
      (1 year for every 10 years of service)

   c. Death

3. The employer would pay up to a maximum of 75% of the current employee cap per month for insurance. The city will not pay for any dependent coverage. The employer will either pay the insurance company directly through voucher upon receipt of a statement or may pay the employee directly upon receiving an itemized receipt.

4. The employee is required to sign a retirement agreement with the City and to give a minimum of two months notice of retirement.

5. This policy will be reviewed periodically and the City reserves the right to change this policy at any time. However, if the employee has a written and dated resignation, the policy in effect at the time/date of resignation, would prevail.

The first day you can retire under this program is May 1, 1997.

REIMBURSEMENT POLICY
July, 2009

1. Must have a detailed original receipt for meals, hotel bills and other miscellaneous expenditures. Items summarized on credit cards bills, hotel receipts or receipt stubs are not acceptable.

2. The City will pay for employee's meals only. The City will not pay for meals when the meal is provided by the conference/seminar, etc. the employee is attending. There are monetary caps for breakfast of $15.00, lunch $20.00 and dinner $25.00.

3. The City will pay for a reasonable tip. Tip must not exceed 15% of cost of meal and beverage.

4. The City will not pay for any alcoholic beverages.

5. The City will not pay for any personal telephone calls.

6. The City will not pay for any entertainment costs.

7. The City will pay for hotel costs for employee only - any additional costs for any extra guests will be your responsibility.

8. Mileage will be paid at the current IRS rate.

9. Mileage will be paid for the distance to and from the assigned destination. Mileage will not be paid while driving to and from entertainment locations.

10. All reimbursements will be paid by voucher upon approval by the City Council.

11. Mileage will be reimbursed at the rate established by the City. Car-pooling will be utilized. Mileage will be paid to one vehicle per seminar/meeting, etc, as long as all parties can travel legally in the vehicle.

Revised by Policies & Procedures 7-6-09; Council approved 7-22-09

City of Paynesville Internet/E-Mail Policy

Policy:

The City provides a variety of electronic tools such as telephones, computers, facsimile machines, pagers, cellular phones, electronic mail (e-mail) systems, and Internet access for employees whose job performance would be enhanced by the technology. The City faces the challenge of making maximum use of the benefits of such tools, meeting legal requirements for access to information, and providing adequate protection for proprietary information. This policy memorandum governs access to and the appropriate use by City employees.

Employee access to and use of electronic tools such as e-mail and the Internet is intended for business related purposes. Limited and reasonable use of the tools for occasional employee personal purpose that does not result in any additional costs of loss of time or resources for their intended business purpose is permitted.

Employee Responsibility:

"Use of City Property" - (a) An employee shall not use or allow the use of city time, supplies, or city owned or leased property and equipment for the employee's private interest or any other use not in the interest of the city, except as provided by law. (b) An employee may use city time, property or equipment to communicate electronically with other persons including, but not limited to, elected officials or the employer, provided this use, including the value of time spent, results in no incremental cost to the state or results in an incremental cost that is so small as the make accounting for it unreasonable or administratively impracticable.

Non-Compliance - any employee who intentionally fails to comply with the provisions shall be subject to disciplinary action, or even criminal prosecution.

City council is responsible of ensuring the appropriate use of electronic tools, including e-mail and Internet access through training, supervising, coaching and taking disciplinary action, when necessary.

Appropriate Use:

City employees need to use good judgement in Internet access and e-mail use. They are expected to ensure that e-mail messages are appropriate in both the types of e-mail messages created and the tone and content of those messages. Employees use of e-mail and the Internet must be able to withstand public scrutiny without embarrassment to the city.

Examples of inappropriate use include, but are not limited to:

- Illegal activities
- Wagering, betting or selling
- Harassment and illegal discrimination
- Fund-raising for any purpose unless city sanctioned
- Commercial activities, e.g., personal for-profit business activities
- Receipt, storage or transmission of offensive, racist, sexist, obscene or pornographic information
- Downloading software (including games, wallpaper, and screen savers) from the Internet unless city sanctioned.
- Non-City employee use

The traditional communication rules of reasonableness, respect, courtesy, common sense, and legal requirements also apply to electronic communication. For example, actions that are considered illegal such as gambling and harassment are not up to the discretion of the individual departments, individual managers or supervisors, or City Council; these actions break the law whether the behavior is conducted on e-mail or by another means of communication, and they may subject the employee to disciplinary action up to and including discharge.

Employees should be aware that they might receive inappropriate and unsolicited e-mail messages. Any such messages should be forwarded immediately to an e-mail address that will be monitored by City Administration. After forwarding the message, the employee is to immediately delete the message at their personal station.

While employees may make personal use of city technology such as e-mail and Internet access, the amount of use during working hours is expected to be limited to incidental use of emergency situations. Excessive time spent on such personal activities during working hours will subject the employee to disciplinary action.

Monitoring

Electronic communication devices such as telephones, facsimile machines, pagers, cellular phones, e-mail systems and Internet access are city property. Like other city resources, they are intended to be used for city business and other city sanctioned activities. The city reserves the right to monitor all uses of e-mail and Internet resources at the time of use, during routine post-use audits, and during investigations.

Data that departments maintain electronically are government data and, as such, are subject to classification and access under the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13. Employees should understand that electronic data are not completely secure. For example, e-mail messages

can be altered by a recipient and re-transmitted as if from the original sender, or data can be illegally accessed. They should also understand that e-mail messages and Internet transactions, including those they delete or erase from their own files, may be backed up or recorded and stored centrally for system security and investigative purposes. They may be retrieved and viewed by someone else with proper authority at a later date. It is the user's responsibility to use care in communicating information not meant for public viewing.

Because the e-mail and Internet systems are not secure, employees should not send any data classified as not public (private or confidential data on individuals or nonpublic or protected nonpublic data not on individuals) over the e-mail or Internet systems unless the data are encrypted or encoded.

Record Retention Schedules:

Record retention schedules are the same regardless of the medium used to create or store the record. As a result, some e-mail messages may be official records of the city and must be retained in accordance with the city's record retention schedule appropriate for the type, nature and content of the record. Improper disposal may subject the employee and the city to legal sanctions and other administrative or legal consequences.

CITY OF PAYNESVILLE
EMPLOYEE RECOGNITION AND APPRECIATION PROGRAM

OBJECTIVES:

1. To develop and maintain a feeling of pride about the city and the quality of its staff and services.
2. To create a positive public image of public employees.
3. To recognize employees for their contributions.
4. To form a more cohesive work place.

STAFF PICNIC:

A. Includes staff, spouses, and families.
B. The picnic will be planned and organized by volunteers from all departments.
C. The picnic will include a large number of activities for both adults and children, including games.
D. The picnic will be held during the summer.

HOLIDAY LUNCHEON:

A. Buffet luncheon for all city staff.
B. Invite those who retired during the year.
C. Present awards (see Years of Service Awards).

YEARS OF SERVICE AWARDS:

A. These awards include certificates and service pins for five-year service intervals.

RETIREMENT RECOGNITION

A. Staff Reception
   1. The city will provide a cake.
   2. The staff will provide a gift.
   3. The City will provide a clock signifying years of service.
B. An article will be placed in the local paper.
C. Recognition at a City Council meeting.
   1. The retiree will be presented with a clock and certificate of appreciation.

PAYNESVILLE MUGS

A. A mug with the City of Paynesville logo will be provided to all current staff, and will be presented to all new staff at orientation.

VIOLENCE IN THE WORKPLACE POLICY

POLICY

It is the policy of the City of Paynesville and the responsibility of its Administration and all of its employees to maintain a workplace free from threats and acts of violence. The City will work to provide a safe workplace for employees and for visitors to the workplace. Each employee, and everyone with whom we come into contact in our work, deserves to be treated with courtesy and respect.

DESCRIPTION

The City of Paynesville does not tolerate any type of workplace violence committed by or against employees. Employees are prohibited from making threats or engaging in violent activities.

PROHIBITED CONDUCT

The list of behaviors, while not exhaustive, provides examples of conduct that is prohibited:

- Intentionally causing physical injury to another person.
- Making threatening remarks.
- Acting out in an aggressive or hostile manner that creates a reasonable fear of injury to another.
- Intentionally damaging employer property or property of another employee.
- Possession of a weapon by a City employee while on public property or while performing City business, with the following exceptions:
    - Possession of a weapon by a law enforcement officer.
    - Possession of a weapon within a motor vehicle which is cased and stored in compliance with Minnesota Law, even though that vehicle may be parked on public property.

WEAPON

For purposes of this policy a weapon is an instrument of combat, or anything used, or designed to be used, to threaten or harm another person. The term weapon would include, but not be limited to, guns, metal knuckles, switch blade knives or other dangerous articles or substances, brass knuckles, machine guns, short barreled shotguns, but may include other items not ordinarily thought of as weapons, but which may be used to threaten or injure another person.

RISK REDUCTION MEASURES

While the City does not expect employees to be skilled at identifying potentially dangerous persons, employees are expected to exercise good judgment and to inform the City Administrator or Supervisor if any employee, customer or vendor exhibits behavior which could lead to a potentially dangerous situation. Such behavior includes, but is not limited to, the following:

- Discussing dangerous weapons and/or bringing such weapons into the workplace, without an appropriate license to do so.
- Displaying overt signs of extreme stress, resentment, hostility, or anger.
- Making threatening remarks.
- Exhibiting sudden or significant deterioration of performance.
- Displaying irrational or inappropriate behavior.

The City Administration/Safety Directors will identify and maintain a list of workplace violence incidents and will design a plan to prepare for possible emergency situations.

DANGEROUS/EMERGENCY SITUATION

Employees who confront or encounter an armed or dangerous person should not attempt to challenge or disarm the individual. Employees should remain calm, make constant eye contact and talk to the individual. If a Supervisor or law enforcement can be safely notified of the need for assistance without endangering the safety of the employee or others, such notice should be given.

ENFORCEMENT

Threats, threatening conduct, or any other acts of aggression or violence in the workplace will not be tolerated. Any employee determined to have committed such acts will be subject to disciplinary action, up to and including termination. Non-employees engaged in violent acts on the employer's premises will be reported to the proper authorities and fully prosecuted.

COMMITMENTS AND RESPONSIBILITIES

Successful implementation of this policy requires the commitment and cooperation of all City Personnel.

ADMINISTRATION INVOLVEMENT AND COMMITMENT

- Demonstrate organizational concern for employees' and customers' emotional and physical health and safety.
- Oversee Violence in the Workplace Policy to ensure that all Supervisors and employees understand their obligations.
- Allocate authority and resources to responsible parties on the Safety Committee.
- Provide a comprehensive program of medical care and psychological counseling and debriefing for employees experiencing or witnessing assaults and other violent incidents.
- Encourage employees to report violent incidents promptly.

SAFETY DIRECTOR/SAFETY COMMITTEE'S INVOLVEMENT AND COMMITMENT

- Encourage employees to promptly report incidents and to suggest ways to reduce or eliminate risks.
- Conduct worksite analysis to determine existing or potential hazards for workplace violence.
- Record, track, monitor, and analyze workplace violence incidents.
- Assist with training and educating employees of potential workplace violence incidents.
- Create policy of zero tolerance for workplace violence, including verbal and nonverbal threats and related actions.
- Ensure that employees who report or experience workplace violence will not experience retaliation of any kind.

- Encourage employees to promptly report incidents and suggest ways to reduce or eliminate risks.
- Conduct and/or provide training and education to employees regarding potential workplace violence incidents.

EMPLOYEE INVOLVEMENT AND COMMITMENT

- Understand and comply with the Violence in the Workplace Policy and any other safety and/or security measures in place by the City.
- Participate in any employee suggestion procedure covering safety and security concerns.
- Promptly report violence incidents or potential for violence to your Supervisor or City Administrator.
- Participate in continuing education programs that cover techniques to recognize escalating agitation, violent behavior or criminal intent.

CELL PHONE POLICY
CITY OF PAYNESVILLE

PURPOSE

This policy is intended to define acceptable and unacceptable uses of cellular telephones. Its application is to ensure that cellular phone usage is consistent with the best interests of the City without unnecessary restriction of employees in the conduct of their duties. This policy will be implemented to prevent the improper use or abuse of cellular phones and to insure that City employees exercise the highest standards of propriety in their use.

POLICY

City cellular telephones are intended for the use of City employees in the conduct of their work in the service of Paynesville citizens. Department heads are responsible for the cellular telephones assigned to their departments and will exercise discretion in their use. Nothing in this policy will limit department head discretion to allow reasonable and prudent use of such telephones or equipment provided that:

1. Its use in no way limits the conduct of work of the employee or other employees.

2. No personal profit is gained or outside employment is served.

A department head may authorize an employee to use their own personal phone for City business and be reimbursed by the City for those calls. An employee will not be reimbursed for business-related calls without prior authorization from his or her department head. Department heads may also prohibit employees from carrying their own personal cell phones during work hours if it interferes with the performance of their job duties.

Use of public resources by City employees for personal gain and/or private use including, but not limited to, outside employment or political campaign purposes, is prohibited and punishable by disciplinary action which may include termination and/or criminal prosecution, depending on the nature and severity of the transgression.

All personal calls made by employees on a City-provided cellular phone must be paid for by the employee through reimbursement to the City Administrator based on actual cost listed on the City's phone bill. Personal calls may be made or received while on lunch, during break time or after hours.

While this policy specifically addresses the use of city-issued cell phones, it is equally as important to address the use of personal cell phones while on the job.

63

PERSONAL CELL PHONES

Employees should only use personal cell phones while on lunch and during their break times. Personal cell phones should be set to vibrate mode, so as to not disrupt the working environment. Employees should not be using personal cell phones during normal work hours to place or receive personal calls, for text messaging or to play games. While the City of Paynesville understands that there are family situation, such as illness, that requires immediate contact between the Employee and their family, such situations would need to be discussed with the City Administrator and dealt with on an individual basis.

PROCEDURES

It is the objective of the City of Paynesville to prevent and correct any abuse or misuse of cellular telephones through the application of this policy. Employees who abuse or misuse such telephones may be subject to disciplinary action under the personnel policy or a collective bargaining agreement.

RESPONSIBILITY

The City Administrator, or designee, will have primary responsibility for implementation and coordination of this policy. All department heads and supervisors will be responsible for enforcement within their departments and divisions.

Date Policy Established by City Council action: July 11, 2007

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: Policies & Procedures Committee

Committee/Council Meeting Date: April 8, 2014

Agenda Section: New Business

Originating Department: Administration

Item Number: III - D

ITEM DESCRIPTION: Placing Non-Union Employees On SAFE Scale

Prepared by: Staff

COMMENTS:

Renee Eckerly will give a verbal report. The following non-union employees need to be placed on the SAFE Scale:

- Liquor Store Clerks
- Public Works Director/Airport Manager
- Liquor Store Manager
- Police Chief
- Public Works Seasonal – 67 Day Employees

Please review the attached pay scales.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to _____.

City of Paynesville, Minnesota
Title & Grade

Points	Department	Division	Title	Proposed Grade	Proposed 1	Proposed 5	Proposed 9	Override	Salary Survey vs Proposed Min	% Diff	Mid	% Diff	Max	% Diff	Current vs Proposed Min	% Diff	Mid	% Diff	Max	% Diff
106	[redacted]	[redacted]	[redacted]	1	24,345.55	27,500.00	30,951.49		24,304.50	0.17%	27,586.00	-0.31%	30,867.50	0.27%	22,026.00	10.53%	27,184.50	1.16%	32,343.00	-4.50%
108	[redacted]	[redacted]	[redacted]	1	24,345.55	27,500.00	30,951.49													
148	[redacted]	[redacted]	[redacted]	3	27,354.66	30,899.00	34,777.10													
173	[redacted]	[redacted]	[redacted]	4	28,995.94	32,752.94	36,863.72		28,111.00	3.15%	32,874.25	-0.37%	37,637.50	-2.10%						
165	[redacted]	[redacted]	[redacted]	4	28,995.94	32,752.94	36,863.72		25,959.21	11.70%	31,436.38	4.19%	36,913.54	-0.14%	23,127.00	25.38%	28,543.50	14.75%	33,960.00	8.55%
196	[redacted]	[redacted]	[redacted]	5	30,735.70	34,718.12	39,075.55		29,016.00	5.93%	34,793.00	-0.22%	40,570.00	-3.82%	25,497.00	20.55%	31,469.00	10.32%	37,441.00	4.37%
215.5	[redacted]	[redacted]	[redacted]	6	32,579.84	36,801.20	41,420.08		29,307.64	11.17%	35,523.75	3.60%	41,739.86	-0.77%	25,497.00	27.78%	31,469.00	16.94%	37,441.00	10.63%
223	[redacted]	[redacted]	[redacted]	6	32,579.84	36,801.20	41,420.08													
230	[redacted]	[redacted]	[redacted]	6	32,579.84	36,801.20	41,420.08		29,416.67	10.75%	35,560.23	3.49%	41,703.78	-0.68%	26,772.00	21.69%	33,042.50	11.38%	39,313.00	5.36%
245	[redacted]	[redacted]	[redacted]	7	34,534.63	39,009.28	43,905.28		34,776.60	-0.70%	39,971.94	-2.47%	45,167.28	-2.87%	26,772.00	29.00%	33,042.50	18.06%	39,313.00	11.68%
265	[redacted]	[redacted]	[redacted]	7	34,534.63	39,009.28	43,905.28		33,675.25	2.55%	38,474.27	1.39%	43,085.53	1.90%	29,516.00	17.00%	35,277.50	10.58%	41,039.00	6.98%
298	[redacted]	[redacted]	[redacted]	9	38,803.11	43,830.82	49,331.98		36,328.36	6.81%	43,014.15	1.90%	49,699.94	-0.75%	31,928.00	21.53%	39,416.00	11.20%	46,904.00	5.18%
325	[redacted]	[redacted]	[redacted]	9	38,803.11	43,830.82	49,331.98		36,202.05	7.18%	42,523.22	3.08%	48,688.82	1.32%	31,904.00	21.62%	39,376.50	11.31%	46,849.00	5.30%
500	[redacted]	[redacted]	[redacted]	14	51,927.32	58,655.53	66,017.31		48,283.25	7.55%	57,000.36	2.90%	65,759.05	0.39%	40,718.00	27.53%	50,255.00	16.72%	59,792.00	10.41%
520	[redacted]	[redacted]	[redacted]	14	51,927.32	58,655.53	66,017.31		48,989.07	6.00%	57,191.54	2.56%	65,049.95	1.49%	40,718.00	27.53%	50,255.00	16.72%	59,792.00	10.41%
615	[redacted]	[redacted]	[redacted]	17	61,846.26	69,859.67	78,627.68		59,240.22	4.40%	69,561.44	0.43%	79,526.20	-1.14%					73,116.00	7.54%

City of Paynesville, Minnesota
Pay Scale

Full Time

% Between Grades:	6%
% Between Steps:	3.0%
Starting midpoint:	27,500

Range: 26.68%

	Step								
Grade	1	2	3	4	5	6	7	8	9
1	24,345.55	25,098.51	25,874.75	26,675.00	27,500.00	28,325.00	29,174.75	30,049.99	30,951.49
2	25,806.29	26,604.42	27,427.24	28,275.50	29,150.00	30,024.50	30,925.24	31,852.99	32,808.58
3	27,354.66	28,200.68	29,072.87	29,972.03	30,899.00	31,825.97	32,780.75	33,764.17	34,777.10
4	28,995.94	29,892.72	30,817.24	31,770.35	32,752.94	33,735.53	34,747.59	35,790.02	36,863.72
5	30,735.70	31,686.29	32,666.28	33,676.57	34,718.12	35,759.66	36,832.45	37,937.42	39,075.55
6	32,579.84	33,587.46	34,626.25	35,697.17	36,801.20	37,905.24	39,042.40	40,213.67	41,420.08
7	34,534.63	35,602.71	36,703.83	37,839.00	39,009.28	40,179.55	41,384.94	42,626.49	43,905.28
8	36,606.71	37,738.88	38,906.06	40,109.34	41,349.83	42,590.33	43,868.04	45,184.08	46,539.60
9	38,803.11	40,003.21	41,240.42	42,515.90	43,830.82	45,145.75	46,500.12	47,895.12	49,331.98
10	41,131.30	42,403.40	43,714.85	45,066.85	46,460.67	47,854.49	49,290.13	50,768.83	52,291.89
11	43,599.18	44,947.60	46,337.74	47,770.86	49,248.31	50,725.76	52,247.53	53,814.96	55,429.41
12	46,215.13	47,644.46	49,118.00	50,637.11	52,203.21	53,769.31	55,382.39	57,043.86	58,755.17
13	48,988.03	50,503.13	52,065.08	53,675.34	55,335.40	56,995.47	58,705.33	60,466.49	62,280.48
14	51,927.32	53,533.32	55,188.99	56,895.86	58,655.53	60,415.19	62,227.65	64,094.48	66,017.31
15	55,042.96	56,745.31	58,500.32	60,309.61	62,174.86	64,040.10	65,961.31	67,940.15	69,978.35
16	58,345.53	60,150.03	62,010.34	63,928.19	65,905.35	67,882.51	69,918.99	72,016.56	74,177.05
17	61,846.26	63,759.04	65,730.96	67,763.88	69,859.67	71,955.46	74,114.13	76,337.55	78,627.68
18	65,557.04	67,584.58	69,674.82	71,829.71	74,051.25	76,272.79	78,560.97	80,917.80	83,345.34
19	69,490.46	71,639.65	73,855.31	76,139.50	78,494.33	80,849.16	83,274.63	85,772.87	88,346.06
20	73,659.89	75,938.03	78,286.63	80,707.87	83,203.99	85,700.11	88,271.11	90,919.24	93,646.82

City of Paynesvile
Part-Time Pay Scale

Part time

% Between Grades:	6%
% Between Steps:	3.0%
Starting midpoint:	20,625

Range: 26.68%

	Step								
Grade	1	2	3	4	5	6	7	8	9
1	8.78	9.05	9.33	9.62	9.92	10.21	10.52	10.84	11.16
2	9.31	9.59	9.89	10.20	10.51	10.83	11.15	11.49	11.83
3	9.86	10.17	10.48	10.81	11.14	11.48	11.82	12.17	12.54
4	10.46	10.78	11.11	11.46	11.81	12.16	12.53	12.91	13.29
5	11.08	11.43	11.78	12.14	12.52	12.89	13.28	13.68	14.09
6	11.75	12.11	12.49	12.87	13.27	13.67	14.08	14.50	14.94
7	12.45	12.84	13.23	13.64	14.07	14.49	14.92	15.37	15.83
8	13.20	13.61	14.03	14.46	14.91	15.36	15.82	16.29	16.78
9	13.99	14.42	14.87	15.33	15.80	16.28	16.77	17.27	17.79
10	14.83	15.29	15.76	16.25	16.75	17.26	17.77	18.31	18.86
11	15.72	16.21	16.71	17.23	17.76	18.29	18.84	19.40	19.99
12	16.66	17.18	17.71	18.26	18.82	19.39	19.97	20.57	21.19
13	17.66	18.21	18.77	19.35	19.95	20.55	21.17	21.80	22.46
14	18.72	19.30	19.90	20.52	21.15	21.78	22.44	23.11	23.80
15	19.85	20.46	21.09	21.75	22.42	23.09	23.78	24.50	25.23
16	21.04	21.69	22.36	23.05	23.76	24.48	25.21	25.97	26.75
17	22.30	22.99	23.70	24.43	25.19	25.95	26.72	27.53	28.35
18	23.64	24.37	25.12	25.90	26.70	27.50	28.33	29.18	30.05
19	25.06	25.83	26.63	27.45	28.30	29.15	30.03	30.93	31.86
20	26.56	27.38	28.23	29.10	30.00	30.90	31.83	32.78	33.77

6A

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: Policies & Procedures Committee

Committee/Council Meeting Date: October 2, 2014

Agenda Section: New Business

Originating Department: Administration

Item Number: III - E

ITEM DESCRIPTION: Health Care Coverage

Prepared by: Staff

COMMENTS:

Gene Beavers requested this be placed on the agenda. Please see that attached health care information.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to _____.

City of Paynesville Health Renewal

The ACA aka Affordable Care Act is here. What does that mean.....

As of 1-1-2014 or when a group health plan renews the plan must fall into compliance.

we are gold - Deductible
Silver - HSA

1. Metal Levels 90, 80, 70, 60 actuarial value. Plans must be within +-2% of each level.

   Plans that fell outside +-2% are gone

2. No Pre-Existing Conditions

   Carriers must cover anyone who signs up regardless

Do yearly in May

3. Carriers/Plans must provide coverage for "Essential Benefits"

   Includes Pediatric Dental and Vision coverage – Can't waive out of 1 pair of glasses under 18

4. Groups can no longer be underwritten

   GI and all groups in a geographic area must be charged the same rate

5. Community Rating

   Loss ratio rating vs Community rating. In the spectrum of 1 to 12.

6. Rating scale of 1 to 3. Age 23 rate must be one third of a age 64 rate

   We will look at some examples of this in a few minutes

7. Child rate is only eligible through age 20, 21 through 25 pay adult rate

   Young adults can stay on until age 26 but they are charged the adult age rate

maximum 3 children up to age 21
over 20 charged adult rate for age category

regulations of states

8. Tobacco is the only upcharge and can be up to 150% of non-tobacco rate

   Tobacco defined as more than 4 times a week

9. Health Insurance is now required by law and enforced through the IRS

   Fines <$95 or 1% of your income, year 2 <$180 or 2% of your income

10. Strict rules on when we can purchase health insurance or enroll

    Go over the requirement that all individuals must have coverage.

No underwriting

TO

KEY 2014 MARKET REFORMS
SMALL GROUP

This information is current as of February 15, 2013 and will be updated as additional information is received.

BLUE CROSS SUPPORTS THE GOALS OF HEALTH CARE REFORM

Blue Cross and Blue Shield of Minnesota has a long history of supporting health reform and access to affordable health coverage for all Minnesotans. We believe that reform will be successful in the long-term when we address the underlying costs of health care, while driving value and access to care.

HEALTH CARE REFORM: WHAT YOU NEED TO KNOW

The information below is a summary of some of the key 2014 market reforms relevant to small employers. As a general rule, Blue Cross is unable to offer legal, financial, or compliance related advice on these provisions, and we encourage employers to also consult with their advisors or benefits counsel.

KEY 2014 MARKET REFORMS – SMALL GROUP

Effective for small group coverage offered or renewed on or after January 1, 2014

REQUIREMENT	WHAT IT MEANS
Essential Health Benefits Package ACA § 1302	The Essential Health Benefits (EHB) Package must: 1) provide coverage for the EHBs; 2) limit cost-sharing; and 3) provide either the bronze, silver, gold, or platinum metal levels of coverage. EHBs will be defined using a benchmark plan approach. If a state does not select a benchmark, then the default benchmark – the small group plan with the largest enrollment in the state – will automatically become the benchmark plan for that state. This requirement applies to all non-grandfathered products offered in the small group market, regardless of whether coverage is offered inside or outside of the State Exchange.
Rating rules ACA §1201	Premiums for individuals will only be permitted to vary based on family size, age, geographic rating area, and tobacco use. This requirement applies to all non-grandfathered products offered in the small group market, regardless of whether coverage is offered inside or outside of the State Exchange.
90-day Maximum Waiting Period ACA § 1201	Group health coverage will be prohibited from applying a waiting period longer than 90 days. This requirement applies to all products, including grandfathered plans, offered in the small group market, regardless of whether coverage is offered inside or outside of the State Exchange.
Employer shared responsibility ACA § 1513	Beginning in 2014, employers that employ an average of at least 50 full-time (30 hours per week or more) or full-time equivalent employees, subject to certain exceptions, must offer minimum essential coverage to its employees or may be subject to a penalty.

"Key 2014 Market Reforms" is intended to provide a general overview of various provisions of the Affordable Care Act and is current as of the date shown above. "Key 2014 Market Reforms" is not intended to constitute legal, compliance, or financial advice and should not be relied on as such.

Blue Cross® and Blue Shield® of Minnesota is a nonprofit independent licensee of the Blue Cross and Blue Shield Association.

KEY 2014 MARKET REFORMS – SMALL GROUP
Effective for small group coverage offered or renewed on or after January 1, 2014

REQUIREMENT	WHAT IT MEANS
Small Employer Tax Credit ACA § 1421	The small employer tax credit has been in effect since 2010. However, beginning in 2014, eligible small employers will only be able to access this tax credit through the State Exchange Small Employer Health Options (SHOP). Small employers may qualify if they employee up to 25 full-time equivalent employees, the average annual wages are less than $50,000, and the employer contributes at least 50% of the premium.
Transitional Reinsurance Program Fees ACA § 1341	Health carriers and self-insured plans (including those of self-insured state and local governments) will pay an assessment to the federal government to fund the transitional reinsurance program. This is a temporary program that will only be in place for 2014-2016. This requirement applies to all non-grandfathered products offered in the small group market, regardless of whether coverage is offered inside or outside of the State Exchange.
Health Insurance Coverage Reporting ACA § 1502; IRC § 6055	Insurers that provide minimum essential coverage will be required to provide information to the Internal Revenue Service (IRS) about the coverage provided to individuals under the group plan and the employer's share of the premium. A written statement must also be provided to covered individuals. The first of these reports must be filed no later than January 31, 2015. Future federal guidance is expected to clarify this requirement.

"Key 2014 Market Reforms" is intended to provide a general overview of various provisions of the Affordable Care Act and is current as of the date shown above. "Key 2014 Market Reforms" is not intended to constitute legal, compliance, or financial advice and should not be relied on as such.

Blue Cross® and Blue Shield® of Minnesota is a nonprofit independent licensee of the Blue Cross and Blue Shield Association.

Add Rescue

ability to respond emergency during working hours

PAYNESVILLE FIRE FIGHTER
JOB DESCRIPTION

EFFECTIVE: JULY, 2005

POSITION PURPOSE:
Fire fighters have the responsibility of protecting life and property from the hazards of fire. This protection is offered by applying fire suppression methods to control and stop property damage, by saving lives through rescue from fire or other hazardous environments, through safety inspections, and public fire safety education to prevent fires. Fire fighters respond to emergency calls to provide efficient and immediate care to the critically ill and injured. Fire fighters assist in other types of emergencies and disasters that may occur in the community.

ESSENTIAL DUTIES AND RESPONSIBILITIES:
The listed examples may not include all duties performed by all positions in this class. Duties may vary somewhat from position to position within a class.

*Respond to fire alarms and other emergency calls, extinguishes or controls fires as a member of a team under the supervision of an officer.
*Selects, drags, lifts, and carries hose and nozzle depending on type of fire, and correctly applies water or chemicals to fire.
*Positions and climbs ladders to gain access to upper levels of buildings or to assist individuals from burning structures.
*Administers first aid and CPR to injured persons and those overcome by fire and smoke.
*Wears appropriate protective clothing and equipment to include self-contained breathing apparatus (SCBA) depending on potential hazard exposure.
*Attends regular and assigned training sessions to maintain and upgrade fire fighting skills.
*Actively participates in drills, demonstrations and courses in hydraulics, pump operation and maintenance, and fire fighting techniques.
*Performs as driver/operator of fire fighting vehicles and equipment.
*Maintains vehicles and equipment in safe operational condition according to manufacturer's instructions.
*Responds to emergency medical calls to provide efficient and immediate care to the critically ill and injured.
*All new hires **must live within a ~~2-mile~~ 3 mile radius from the Fire Hall.**
*Attends and participates in necessary safety meetings and seminars, and follows the City's safety guidelines.
*Must be able to respond to no fewer than 30% of the fire calls and 30% of the rescue calls each year.
*Must be able to attend no fewer than 75% or the minimum of the necessary meetings and 75% or the minimum of the necessary training each year.

KNOWLEDGE, SKILLS, AND ABILITIES:

*Must comply with City of Paynesville work rules and Paynesville Fire Department By-Laws.
*Must be able to work as a team member under stress caused by emergencies, danger, or criticism and must be able to work fast while concentrating hard.
*Knowledge of English grammar and able to understand and communicate using written and spoken English.
*Ability to see and hear.
*Must be able to lift a minimum of 75 lbs.
*Walking and/or mobility needed: Must be able to walk or crawl while carrying or lifting.
*Must be able to ascend and descend stairs or ladders.
*Must be capable of reaching (extending in any direction) handling: (seizing, holding, grasping, turning): fingering (picking, pinching); and feeling (perceiving attributes of objects such as size, shape, temperature, or texture).
*Must possess a valid MN Class D driver's license.
*Ability to work at an average height of 25 feet.
*Ability to work in confined space.
*No facial hair (beards) that would interfere with the proper sealing of self contained breathing apparatus (SCBA).

PHYSICAL DEMANDS

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is frequently required to sit and talk or hear. The employee is occasionally required to walk; use hands to finger, handle, or feel objects, tools, or controls; and reach with hands and arms. The employee must occasionally lift and/or move up to 75 pounds. Specific vision abilities required by this job include close vision and the ability to adjust focus.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The noise level in the work environment is usually quiet to moderately quiet.

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position.

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

*Job duties with an *(asterisk) are essential duties necessary to fulfill the job requirements.

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: Policies & Procedures Committee

Committee/Council Meeting Date: October

Agenda Section: Old Business

Originating Department: Administration

Item Number: IV - A

ITEM DESCRIPTION: Performance Appraisal Forms

Prepared by: Staff

COMMENTS:

Renee Eckerly is working on these will they will be emailed out on Monday.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to _____.