

SECTION 240 PERSONNEL POLICY

SECTION 1. PURPOSE.

The City Council of the City of Tonka Bay deems it advisable to establish a policy governing the relationship between the employees and the City, and to provide procedures for its administration. In the formation of this policy, the Council recognized that the City is a creature of the State of Minnesota and the Personnel Policy must conform to the statutes of the State, and that within this framework of law, the Council can establish governing principles upon which a progressive comprehensive and efficient program of employee relations may be based.

This policy contains the City's personnel policies and procedures on employee relations. These policies and procedures are guidelines only and are not to be construed as contractual terms of employment.

Any aspect of these policies and procedures may be changed at any time at the sole discretion of the City without prior notice. These policies and procedures will be known as the "Personnel Policy" and will be referred to in the following sections of "this policy."

It is the policy of the City to give equal opportunity to all qualified persons without regard to race, color, religion, sex, age or national origin. All employment practices provide that individuals be recruited, hired, assigned, advanced, compensated and retained on the basis of their qualifications and treated equally in these and all other respects without regard to race, color, religion, sex, age or national origin.

1. DEFINITIONS:

"Part-time employment" shall mean employment regularly engaged in on a scheduled, less than full-time, basis.

"Full-time employment" shall mean employment regularly engaged in on a scheduled basis of forty hours per week.

"Casual employment" shall mean employment which is incidental to the main functions of the municipal government, normally for short duration, and compensated for on an hourly basis.

"Seasonal employment" shall mean employment regularly engaged in on a scheduled, full-time work week, basis for less than twelve (12) months in any one calendar year.

"Administrator" shall mean administrator of the personnel policy.

“Benefits” means privileges granted to an employee in the form of vacation, leave, sick leave, overtime allowances, holidays, military leave, military induction pay, or pay received in lieu of accrued leave upon termination of employment, and other privileges in addition to wages or salaries granted to employees.

“Budget time” means that period during which budget requirements for the following fiscal year are estimated, considered and adopted according to law.

“City Council” means appointing authority.

“Regular Employee” means any employee hired for a position designated as continuing on a regular basis, but which may be eliminated at the discretion of the Appointing Authority, who has successfully completed the probationary period.

“Probationary Employee” means any employee hired for or promoted to a regular employee position who is serving the required probationary period.

“Probationary Period” means the first six (6) months of continuous employment or other time period required by the Appointing Authority, during which a newly hired or promoted regular employee must demonstrate fitness for the duties of the assigned position.

“Appointing Authority” means City Administrator, except where the City Council or some other officer or governmental body is so designated by State law or ordinance.

“Provisional Appointment” means a temporary appointment to a regular position.

“Immediate Family” means children, stepchildren, parents, siblings, grandparents, grandchildren, parents-in-law, children-in-law, grandparents-in-law, or such other persons as the Administrator deems appropriate.

“Overtime” means the number of hours a non exempt employee works over forty hours in a work week, which is accumulated at one and one-half times the employee’s rate of pay.

“Exempt Employee” means employees who are exempt from receiving overtime pay, including bona fide executive, administrative or professional employees.

“Non exempt Employees” means employees who are paid at an hourly rate regardless of duties and who do not primarily manage.

“Compensatory Time” means the number of hours worked over forty hours in a scheduled work week which is accumulated.

SECTION 2. SCOPE OF POLICY.

1. **Positions Covered** All offices and positions in the municipal employ, now existing or hereafter created, shall be subject to the provisions of the policy, except that the following offices and positions shall be wholly exempt from the provisions of this policy with the exception of Section 15 1.b.:
 - a. Elected officials;
 - b. Members of boards, commissions and committees;
 - c. Volunteer personnel, emergency employees, and liquor store employees;
 - d. Consultants and others rendering services under contract with the City;
 - e. Other employees not regular employed in permanent positions.

SECTION 3. APPOINTMENTS

1. **Appointment Procedure.** The Council will make all appointments to positions of City employment. Each appointment will be based on merit and qualifications for the position in accordance with criteria to be established by the Council. The criteria established must be capable of being reduced to a 100-point rating system. A 100-point rating system must be applied to all positions of City employment, except for those positions specifically exempted from the Veterans Preference Act, Minn. Stat. 197.46. Employee contracts will supersede to the extent allowed by law the provisions with this policy.
2. **Veterans Preference.** In accordance with Minn. Stat. 43A.11 and Minn. Stat. 197.455, a credit of five points will be added to a veteran's rating at the election of the veteran so long as the City position being sought is not exempted from veterans preference by Minn. Stat. 197.46. The receipt of the credit is conditional on the veteran obtaining a passing rating under the criteria and 100-point rating system established for the position without the addition of the credit points. Similarly, a credit of ten points will be added to a disabled veteran's rating at the election of the disabled veteran so long as the City position being sought is not exempted from veterans preference by Minn. Stat. 197.46. The receipt of the credit is conditional on the disabled veteran obtaining a passing rating under the criteria and 100-point rating system established for the position without the addition of the credit points.
3. **Examinations.** The Council may require appropriate written, oral, psychological and other examinations to measure an applicant's job related activities. All perspective regular employees must submit to a physical examination to determine their capability to perform available employment. Such an examination will not be required until an offer of employment has been made. Such an offer may be made conditional on the prospective employee meeting the physical or mental requirements of the job. The examination will test only essential job related abilities. Instead of a physical examination, all prospective seasonal employees may, at the option of the Council, submit a statement from a medical doctor of their own choice indicating that they are in good health and able to perform the expected duties. Physical and mental examinations shall be

conducted by a qualified person chosen by the Council. The City shall pay all costs of any required examination, except for the seasonal employee option provided above. All examination reports shall be the City's property. Physical or mental disabilities shall not be used to disqualify an applicant unless the Council determines that the disability makes the applicant incompetent or otherwise unable to perform the duties of the intended position.

The city reserves the right to test the hearing of all Public Works employees prior to employment and periodically throughout employment with such testing to be paid by the employer.

4. Relationship to Other City Personnel.

- a. Except for seasonal employees, no person shall be appointed as a regular or temporary employee who is a member of the immediate family or is the aunt, uncle, niece, or nephew of any elected official, any City employee, or any appointed official if the employment relates to the subject matter of the official's or employee's responsibilities.
- b. No seasonal employee shall be appointed as a regular or temporary employee if a relative has the authority to appoint, supervise, evaluate, or discipline the position or if the position is classified as confidential.
- c. No spouse of an elected or appointed official or employee shall be appointed as a regular, temporary, or seasonal employee if the employment relates to the subject matter of the official's or employee's responsibility and a conflict of interest as defined by this policy results. (See Section 9, Paragraph 3a.)

5. Provisional Appointments.

- a. The Appointing Authority, in its sole discretion, may make a provisional appointment without examination to a position normally subject to examinations when necessary to continue public business or avoid substantial public inconvenience.

Any provisional appointment must fall within budgetary limitations, as set by the City Council.

- b. A provisional appointment shall terminate by:
 - 1) Action of the Appointing Authority;
 - 2) Expiration of any limitation period required by regulation or any other law; and
 - 3) Regular appointment of a person to the position.
- c. No benefits shall accrue to a person appointed under this subdivision unless the person is already a regular City employee.

- d. No person shall receive more than one provisional appointment in any one calendar year.
- 6. **Transfers, Promotions.** The Appointing Authority, in its sole discretion, shall have the inherent managerial right to transfer and promote employees from one position to another. Compensation shall be established, and transfers in the nature of demotions be accomplished, in accordance with this policy.
- 7. **Affirmative Action Policy.** It is the policy and intent of the City to provide equality of opportunity in employment to all persons. The policy prohibits discrimination because of race, color, creed, religion, national origin, political affiliation, disability, marital status, status with regard to public assistance, sex or age (except where age is a bona fide occupational qualification) in all personnel policies, programs, practices and operations. This policy applies to all phases of full-time, part-time, temporary and seasonal employment including, but not limited to, recruitment, hiring, placement, promotion, demotion or transfer, layoff, recall or termination; rates of pay or other forms of compensation and selection for training. This policy also applies to the use of all facilities and participation in all City-sponsored employee activities.

SECTION 4. PROBATIONARY PERIOD

- 1. **Purpose.** The probationary period shall be an extension of the examination process and be used for closely observing an employee's work and rejecting any employee whose performance does not meet expected standards.
- 2. **Duration.** Every person appointed, promoted, or transferred to a regular position, shall be required to successfully complete a probationary period of at least six (6) months.
- 3. **Performance Evaluation.** The employee's supervisor shall prepare performance evaluation reports three (3) months after the employee's starting date and two (2) weeks prior to completion of the probationary period. Each report shall be reviewed with the employee. Any failure to undertake the requirements of this paragraph shall not invalidate the probationary period or otherwise be used adversely against the Council.
- 4. **Termination.** The Appointing Authority may terminate a probationary employee any time in its sole discretion. The employee shall not have the right of administrative appeal. For promotions or lateral transfers, a regular employee terminated during the probationary period shall be reinstated to the prior position or one similar to it, unless discharged or unless the prior or a similar position is not available.
- 5. **Probationary Period Extension.** The Appointing Authority may extend the probationary period. Before completion of the first six (6) months of

employment, the Appointing Authority shall notify the employee in writing of the extension and the reasons for it. The employee shall not have any right of administrative appeal from this decision. If the Council does not give the notice within the time indicated, the probationary employee shall become a regular employee.

6. **Benefits.** Except for employees promoted or transferred to a regular position, no probationary employee shall be entitled to use vacation leave, although this leave shall accrue during the probationary period. Sick leave may be used to the extent accrued.

SECTION 5. COMPENSATION

1. **Compensation Plan.** The Appointing Authority shall establish a compensation plan for all positions subject to this policy. The plan shall be approved by the City Council. The Appointing Authority shall annually review the plan and recommend any changes to the City Council. The City Council shall act upon these recommendations within a reasonable time. Additionally, the Appointing Authority may make adjustments to the plan at any time as appropriate. The Appointing Authority, in its sole discretion, may compensate an employee for assuming responsibility in addition to that of the employee's regular assignment.
2. **Temporary and Seasonal Employees.** Temporary and seasonal employees shall be paid at an hourly rate determined by the Appointing Authority. Except as otherwise specifically provided in writing by the Appointing Authority or provided by law, these employees shall not be entitled to any benefits.
3. **Keeping of Time Records.** Time cards will be provided by the City for each hourly paid employee. It is the responsibility of each employee to see that their time card is completed accurately and submitted to the payroll agent two days prior to payday. The Administrator will have discretion over the type of time form used. Time cards must be approved by the Supervisor prior to issuance of payroll checks. Salaried employees are not required to use time cards.
4. **Paydays.** Employees shall be paid every other Thursday. When a payday falls on a holiday, employees shall receive their pay the preceding workday.

SECTION 6. HOURS OF WORK

1. **Work Hours and Schedules.** Unless otherwise directed by the employee's immediate supervisor or the Appointing Authority, employees shall comply with the following work hours and schedules:
 - a. The regular work week shall be forty (40) hours, Monday through Friday, and the regular work day shall be eight (8) working hours. Office hours are from 8:00 a.m. to 4:30 p.m. Work hours for the Public Works Department are from 7:00 a.m. to 3:30 p.m. Requests for special work schedules must be made in writing and approved by the Appointing Authority or designee.

- b. **Callbacks.** The City recognizes that some emergency situations will necessitate an employee being called back to work to perform extra duty. A “callback” exists when: (1) a supervisor request an employee to return to work; (2) a supervisor requests an employee to work on a non working day (Saturday, Sunday, or holiday); and (3) the employee has physically left the premises of employment. Hourly employees called back to work shall receive no less than two (2) hours of overtime compensation. Supervisory employees of the City shall not be eligible for callback wages.

SECTION 7. EMPLOYEE BENEFITS

1. Holidays

- a. The following official holidays shall be paid holidays for regular part-time and full-time City employees: one floating holiday which can be used at any time throughout the year, only individuals employed on January 1 earn the floating holiday (the floating holiday cannot be carried over from one year to the next), New Year’s Day, January 1; Martin Luther King’s Birthday, the third Monday in January; President’s Day, the third Monday in February; Memorial Day, the last Monday in May; Independence Day, July 4; Labor Day, the first Monday in September; Veterans Day, November 11; Thanksgiving Day, the fourth Thursday in November; Day after Thanksgiving Day, the day after the fourth Thursday in November; ½ day on Christmas Eve Day, December 24; Christmas Day, December 25; ½ day on New Year’s Eve day, December 31. For employees whose normal work schedule is Monday through Friday, the holidays which fall on a Saturday will be observed the preceding Friday. Those which fall on a Sunday will be observed the following Monday. If Christmas Eve or New Year’s Eve falls on Saturday or Sunday, the ½ day holiday shall be the preceding Friday.
- b. Regular full-time employees shall be paid at their regular rate of pay for each of the official holidays. Regular part-time employees scheduled to work a minimum of twenty-two (22) hours per week will receive a proportion of holidays determined by dividing their scheduled work hours by the number of full-time hours. If the holiday falls on a day in which a part-time employee is not scheduled to work, the employee may use the holiday at another time provided that prior approval is obtained from the supervisor.
- c. To be eligible for compensation on an official holiday, employees must not be absent from work the workday before or after the holiday, unless permission from their supervisors has been given in advance or unless the employees have notified their supervisors of the reason for their absence within one (1) hour after the start of the workday or within a different time period established by the department director. Employees who do not have advance permission may be required to provide a doctor’s statement or other verification of the reason for the absence.

2. **Vacation Leave.**

- a. Vacation leave may be used only to the extent that it is earned. The amount of vacation leave available to regular full-time employees shall be earned according to the following schedule:
 - 1) From the beginning of employment through the fifth year of continuous employment, employees shall earn ten (10) working days of vacation per year.
 - 2) From the beginning of the sixth year through the tenth year of continuous employment, employees shall earn fifteen (15) working days of vacation per year.
 - 3) For length of service above ten years, employees shall earn twenty (20) working days of vacation per year.
- b. Employees may request to use earned vacation leave any time after completion of their probationary period. These requests shall require supervisory approval. Requests for vacation leave in excess of two (2) days must receive at least three weeks prior notice before said leave is granted. Paid holidays that occur during vacation leave shall not be counted as days of vacation leave. Employees who are absent because of reported illness the workday before or after scheduled vacation days may be requested to submit a doctor's statement verifying the illness.
- c. In choosing time for vacation, preference is given to length of service. This preference is limited, however, to the first two (2) weeks of vacation. Any vacation to which the employee is entitled beyond the initial two (2) weeks will be chosen only after the other employees have made their initial choices. The same criteria as was used for the first two (2) weeks selection will be used for the remaining selection of vacation time.
- d. Employees may request vacation salary in advance for the period they will be away. All such requests must be submitted to the administrator one (1) week in advance of the vacation period. Vacation pay requests shall be limited to a two-week period of work time.
- e. Employees cannot elect to waive vacation leave and receive a cash payment instead.
- f. Employees terminating City employment in good standing will be compensated for unused vacation leave accrued to the date of termination. Said compensation shall not exceed ten (10) working days.
- g. Vacation leave available to regular part-time employees shall be

calculated as a proportion of the above schedule, based on the relationship between the full-time hours. Part-time employees must work a minimum of 22 hours per week on a regular schedule to accrue vacation benefits.

- h. Up to ten working days of vacation earned but not used during any one calendar year may be carried over to the following year. Up to a maximum number of vacation days earned in six months may be advanced to an employee if approved by the Administrator.

3. **Sick Leave**

Regular full-time employees shall earn twelve (12) days of sick leave per year. Regular part-time employees working a minimum of twenty-two (22) hours per week shall earn a proportion of that sick leave determined by dividing their scheduled work hours by the number of full-time hours. Maximum accrual of sick leave shall not exceed 120 days at any time during the calendar year. Sick leave may be used only to the extent that it is earned. Sick leave is not a privilege or vested right which an employee may use at the employee's discretion but is a type of insurance which shall be allowed in case of necessity of actual illness in accordance with the policy.

- a. Sick leave may be used for an employee's own illness, illness of their children, physical examination, dental care, injury, maternity/paternity leave, outpatient or inpatient treatment for mental illness, alcoholism, or drug abuse. Employees may also request using sick leave for death, serious illness, or other health care of members in their immediate family which may be granted at the discretion of the administrator.

Parental leave shall be considered the same as any other illness.

- b. Employees shall notify their immediate supervisors on the first day of sick leave of the reason for their absence within one (1) hour after their scheduled starting time, unless a different time period has been established by the supervisor. Employees must keep their supervisor informed of their condition if absent for more than one day. When possible, sick leave shall be requested in advance. The supervisor or administrator may require a doctor's statement specifying the nature and duration of the illness before the employee is paid for sick leave. Employees who are ill on scheduled vacation or holidays shall be paid as vacation or holiday time and shall not be entitled to use sick leave, except for illnesses verified by a doctor's statement at the discretion of the administrator.
- c. Using or claiming sick leave for a purpose not authorized by this policy may be cause for disciplinary action as per Section 11.

4. **Special Leaves With Pay**

a. Special leaves with compensation include:

- 1) **Funerals.** A maximum of three (3) days of sick leave may be taken in the event of death of the employee's spouse or death in the employee's immediate family. An additional seven (7) days of sick leave may be taken upon written approval of the administrator.
- 2) **Military Leave for Training Purposes.** Employees who are members of any reserve component of the military forces of the United States or National Guard, shall be granted leaves of absence not exceeding fifteen (15) working days in each fiscal year when ordered for training, in accordance with Minn. Stat. 192.26.
- 3) **Court Duty.** Employees subpoenaed as witnesses or called for jury duty shall be granted leaves of absence for the time necessary to complete those duties. All fees received as a witness or juror, except mileage fees for use of the employee's private vehicle, shall be paid to the City. The employee will be paid at their normal rate of pay while performing court duty.
- 4) **Injured on Duty Leave.** All employees certified by their physicians as unable to work because of a work related injury shall be entitled to injured on duty leave up to a maximum of the "waiting period" as defined under the City's long term disability insurance program. An "injured on duty leave" is a non compensable privilege. If an employee on injured duty leave has accumulated sick leave or vacation or both, the administrator may provide for the payment of additional benefits to the employee. Such payment may not exceed the amount of the total sick leave and vacation accumulated and shall not result in the payment of a total weekly rate of compensation that exceeds the weekly wage of the employee. Such payment shall be charged against the sick leave and vacation accumulated by the employee. The payment is conditional upon the employee submitting to the Appointing Authority written proof of entitlement to workers' compensation. The payment will further only be made pursuant to a written schedule signed by the employee and approved by the administrator. The schedule will evidence the employee's weekly wage, the employee's weekly entitlement to workers' compensation, and the payment of additional benefits made calculated on a weekly rate. Injured on duty leave shall not be provided to employees who fail to comply with procedures required by the Appointing Authority for reporting work related injuries.

b. Employees using paid leave time shall be considered to be working for the

purpose of accruing benefits.

5. **Special Leave Without Pay.**

a. Special leaves without compensation include:

- 1) **Military Leave for Extended Service.** Employees shall be entitled to military leave of absence without pay not to exceed four (4) years for service in the armed forces of the United States, plus such additional time in each case as such an employee may be required to serve pursuant to law, in accordance with Minn. Stat. 192.261.
- 2) **Parental Leave.** All regular full-time and part-time employees who have successfully completed the probationary period may be absent from work up to three (3) months for the birth or adoption of their child. If an employee is unable to return to work at the end of this period due to a medical condition related to the birth, the period shall be extended for the period of time during which a doctor certifies that the employee is unable to return to work but no longer than an additional three months. The leave shall be unpaid except as follows: Parents who have not themselves given birth to a child may use up to five days sick leave for the birth of their child or arrival of their adopted child. All employees may also use accrued vacation, compensable compensatory pay, and floating holiday leave during the leave period. Employees shall notify their supervisors in writing two months prior to the expected commencement date of parental leave.
- 3) **Political Activity Leave.** City employees shall take an unpaid leave of absence from City employment upon:
 - a) Assuming an elected Federal or State public office which in the opinion of the city council conflicts with their regular City employment;
 - b) Assuming an elected or appointed public office other than specified in paragraph (a) which, in the opinion of the city council, conflicts with their regular City employment; or
 - c) Becoming a candidate or during the course of candidacy for any elected public office if in the opinion of the city council the candidacy conflicts with their regular City employment.
- 4) **Discretionary Leave.** All regular full-time and part-time employees who have successfully completed the probationary period may be absent from work up to six months upon the discretion and approval of the city council. Written requests for this leave shall be submitted six months prior to the expected commencement date of the discretionary leave.

- 5) **School Activity Leave.** All regular full-time and part-time employees who have successfully completed the probationary period may be absent from work to attend a child's school conference or classroom activities if they cannot be scheduled during non work hours. The leave shall be unpaid except for those employees who wish to use accrued vacation or compensatory time.

b. Conditions Governing All Leaves Without Pay.

- 1) Upon their return from unpaid leaves, employees shall be entitled to all sick leave and vacation leave accrued prior to the leave which was not used during their absence.
- 2) Failure of an employee to request an extension before expiration of the leave shall be considered a resignation.
- 3) Upon return from unpaid leave, employees shall be assigned to their previous positions or positions in a comparable class if available.
- 4) Except as provided below under subparagraph 5, no benefits shall accrue during unpaid leave.
- 5) The City shall pay the employee and employer's portion of health and life insurance premiums for all regular employees granted an unpaid leave of absence for medical purposes.

For a non-medical leave of absence, the employee shall pay the employee and employer's portion of the first monthly health and life insurance premiums which become due during the remaining period of the leave.

6. **Group Insurance.** Benefit plans are provided through selected carriers, administered in compliance with their terms, and applied in a uniform manner. Complete information can be found in the summary plan descriptions. Each regular full-time employee of the City of Tonka Bay shall have the benefits described below:

- a. **Health Insurance.** All regular employees working an average of over thirty (30) hours per week and their eligible dependents may obtain medical insurance coverage. Details on this and other requirements can be found in the summary plan description booklet for the medical plan. For eligible employees, the maximum amount of the City's contribution for medical insurance is set annually at budget time by the City Council.

Optional Health Insurance is available to regular employees working under thirty (30) hours per week to the extent allowed by the insurance plan administrator. Said employees pay 100% of the cost of the optional health insurance.

- b. Basic Life/AD & D Insurance.** All regular employees working an average of over thirty (30) hours per week receive a Life Insurance benefit equal to \$10,000. Accidental Death and Dismemberment benefits will be paid to you or your designated beneficiary in varying amounts for certain injuries or loss of life. The City pays the entire cost of these benefits.
 - c. Optional Life Insurance.** All regular employees may purchase optional life insurance in varying amounts up to 300% of annual salary. Eligible employees pay 100% of the cost of this coverage based on their age and amount of insurance elected.
 - d. Dental Insurance.** The City pays the entire cost of single dental insurance for all regular employees working an average of over thirty (30) hours per week. The employee may choose family dental coverage but is responsible for premium payment representing the difference between single and family coverage.
- 7. Public Employees Retirement Association.** All persons hired for regular positions within the City are members of the Public Employees Retirement Association unless other wise exempted by qualification or election provided by law.
 - 8. Deferred Compensation Program.** All regular employees are eligible to participate in a city approved voluntary deferred compensation program. Contributions are made through payroll deductions.
 - 9. Flexible Spending Account Plan.** All regular employees are eligible to participate in a city-approved flexible spending plan which allows employees to deduct pre-tax dollars for health insurance premiums and out-of-pocket medical, dental and day care expenses.

SECTION 8. EMPLOYEE TRAINING AND DEVELOPMENT

- 1. Training Reimbursement.** The Appointing Authority may authorize the reimbursement to an employee of tuition for educational purposes in accordance with guidelines established at the sole discretion of the Administrator.
- 2. Conferences.** The Administrator may authorize employees to attend, at City expense, conferences or workshops that are job related. Attendance at such conferences shall be considered as time on duty for purposes of pay and

benefits. Time spent outside the employee's work schedule for travel and for attendance at conferences and workshops shall not be considered as time on duty for purposes of pay and benefits. Reporting standards may be established by the Appointing Authority as to the knowledge gained and/or assurances of attendance. The City will reimburse employees for expenses incurred during the conference including travel, meals and registration fees. Employees attending conferences can receive credit for no more than eight hours per day of training. Employees are not eligible for overtime while at a conference.

3. **Mileage Reimbursement.** Employees using their personal automobile in conjunction with assigned departmental business will be eligible for a mileage reimbursement upon submission of proper documentation denoting date(s), purpose and mileage. The mileage reimbursement rate is set at the maximum Internal Revenue Service reimbursement rate.

SECTION 9. CONFLICT OF INTEREST

1. **Conflict of Interest.** An employee has a conflict of interest when the employee's private financial interests or personal relationships create a conflict with the employee's public duties, whether or not those personal interests in fact influence the exercise of the public duties. In determining whether a conflict of interest exists, the Appointing Authority shall consider the extent to which the personal interest appears to compromise the employee's ability to objectively and fairly perform City duties. Examples of conflicts of interest are:
 - a. Use of City time, facilities, vehicles, equipment, and supplies, or the uniform, prestige and influence of City employment for private gain.
 - b. Use of non-public data obtained as a result of City employment for private gain.
 - c. Receipt or acceptance of any money, honoraria, or other benefit from anyone other than the City for the performance of an act which is part of the employee's assigned duties or expected activities.
 - d. Action taken as part of the employee's duties which affects or gives a special benefit to the employee, the employee's spouse, or the employee's immediate family in their private capacities, such as an employee's inspection of self-completed construction or in their public capacities, such as where both spouses are employees or officials of the City and their spousal interests conflict with the City's interest.
2. **Disclosure.** All employees are annually required to complete a disclosure statement setting forth all activities in which they engage or intend to engage outside the City employment for financial gain and to be submitted during your annual review. Employees need not disclose passive financial investments

requiring no ongoing activity by the employee, unless those investments are in an entity which the employee knows:

- a. Has a contract with the City,
 - b. Will be bidding for a contract with the City in the following year, and
 - c. Has pending or will submit in the following year an application for any kind of City approval.
3. **Outside Employment.** Employees may not engage in any outside employment or business which could hinder or impair their performance of their public duties, embarrass the City; be incompatible with their City employment; or conflict with their efficiency on the job. The employee must provide notice to the City of any outside employment.

The Appointing Authority shall not permit outside employment or activities for private gain which constitute a conflict of interest with public duty or are inconsistent or incompatible with public employment.

SECTION 10. NO SMOKING POLICY

1. **Policy.** All employees are prohibited from smoking cigarettes, using other tobacco products, drinking alcoholic beverages or using illegal substances while on duty or in City buildings and vehicles. Violations of this policy will subject the employee to discipline as outlined in Section 12.

SECTION 11. DISCIPLINE

1. **Discipline.** City employees shall be subject to disciplinary action for failing to fulfill their duties and responsibilities, including observance of work rules adopted by the Appointing Authority. It is the policy of the city to administer disciplinary penalties without discrimination. Every disciplinary action shall be for just cause and the employee may demand a hearing with respect to any disciplinary action which he/she believes is either unjust or disproportionate to the offense committed. The supervisor or Appointing Authority shall investigate any allegation on which disciplinary action might be based before any disciplinary action is taken.
2. **Disciplinary Action Steps.** Except for severe infractions, disciplinary action against any employee shall be progressive and follow the steps listed below in numerical order:
 1. **Oral reprimand.**
 2. **Written reprimand.** A written reprimand shall state that the employee is being warned for misconduct; describe the misconduct; describe past actions taken by the supervisor to correct the problem; urge prompt

correction or improvement by the employee; include timetables and goals for improvement when appropriate; and outline future penalties should the problem continue. The employee shall be given a copy of the reprimand and sign the original acknowledging that he has received the reprimand. The signature of the employee does not mean that he agrees with the reprimand. The reprimand shall be placed in the city's files.

3. **Suspension without pay.** Prior to the suspension or as soon thereafter as possible, the employee shall be notified in writing of the reason for the suspension and its length. Upon the employee's return to work, he/she shall be given a written statement outlining further disciplinary actions should the misconduct continue. An employee may be suspended pending investigation of an allegation. A copy of each written statement shall be placed in the employee's personal file, but if the suspension is for investigation and the allegation proves false, the statement shall be removed and the employee shall receive any compensation to which he/she would have been entitled had the suspension not taken place.
4. **Dismissal.** The Appointing Authority may dismiss any employee, but if the employee has completed his probationary period, a dismissal shall be only for just cause. A dismissed employee will be notified by the previous posting of a summary of Minn. Stat. Sections 181.931 to 181.935 or by furnishing the terminated employee a copy of those statutes at termination that he/she has a right to make a written request for the city's reasons for jurisdiction. If requested, the city will provide reasons, in writing, within five working days. This notice will along with reasons contained in the veterans' preference law if he/she is a veteran; a statement indicating that the employee may respond to the charges both orally and in writing and that he/she may appear personally before the official having authority to make or recommend the final decision; and a statement that he/she is entitled to a hearing on request under Subdivision 5 of this section. If such a hearing is held, the dismissal shall not become effective until after the hearing.
5. **Other disciplinary actions.** The following other disciplinary actions may be taken against any employee after steps 1 and 2 above have been followed:
 - a. Involuntary demotion.
 - b. Forced transfer to a comparable position.
 - c. Withholding a salary increase or decreasing the employee's salary.
6. **Hearing.** In any case of suspension, dismissal, or demotion, the employee shall be granted a hearing upon written request for such a hearing made to the Appointing Authority within five working days of notification of the action taken. The hearing shall be before the Appointing Authority unless the disciplinary action was taken by that body and the

employee requests that the hearing be conducted by some other city agency or officer designated by the Appointing Authority, in which case the hearing shall be conducted by the agency or officer so designated. The hearing shall be held within ten working days from the date the request is filed unless the city and the employee agree on a later date.

If after the hearing, the hearing body finds that the charges are sustained, the dismissal, suspension, or demotion shall be final in the absence of court action. If the hearing officer or body finds that the charges are not sustained, the employee, if he/she has not been suspended pending investigation, shall be reinstated and paid all back pay due for the period of suspension; if there has been no suspension, the employee shall be continued in the position as though the disciplinary action had not been taken. Findings by the hearing officer or body shall be in writing and filed with the Administrator within three days after completion of the hearing. The hearing officer or body shall give written notice of the decision to the employee and to the disciplinary authority, unless the hearing officer or body was such authority. If the disciplinary action involves the removal of a veteran, the hearing shall be held in accordance with M.S. Section 197.46.

SECTION 12. TERMINATION AND LAYOFF

1. **Termination.** Employees of the City may be terminated from the City's service because of retirement, resignation, dismissal, reduction or change of work, lack of funds, or other reasons.
2. **Resignation.**
 - a. An employee who wishes to resign from the City's service in good standing because of retirement or other reasons shall give the Appointing Authority at least fourteen (14) calendar days notice. The notice should be in a form prescribed by the Appointing Authority. The Appointing Authority may agree to a shorter period of notice in unusual circumstances. Any vacation or other leave time used after the notice must be approved by the Appointing Authority.
 - b. An employee who does not submit such a notice shall be considered as having terminated not in good standing. Other terminations may be classified as not in good standing in the discretion of the Appointing Authority. Written notice of the decision that the termination is not in good standing shall be submitted to the employee within five (5) working days after the decision.
 - c. The Appointing Authority may, in its own discretion, deem an employee to have voluntarily resigned if the employee is absent from work for a period of three (3) working days or more without notifying the immediate

supervisor, department director, or Appointing Authority of the reasons for the absence and obtaining permission. The same shall apply when an employee fails to return to work within three (3) days after an authorized leave.

3. **Penalties.** Termination not in good standing shall be noted in the employee's personnel file. In that case, the employee may not be considered eligible for reemployment, and the employee may also be denied severance benefits in the discretion of the Appointing Authority.
4. **Layoffs.** Layoffs will be conducted in accordance with adopted administrative policy. Layoffs shall occur by seniority within your area for full and part-time positions.
5. **Termination Pay.** Regular employees who die or otherwise leave the City shall receive:
 - a. Pay equal to the amount of accumulated, unused vacation leave;
 - b. Exempt employees shall receive pay equal to the amount of accumulated, unused compensatory time;
 - c. Each regular employee who terminates employment with the City in good standing, shall receive a one-time, lump-sum severance payment. Each regular employee shall receive severance pay in an amount equal to 50% of the employee's individual accumulated sick leave balance at the date of termination and calculated at the employee's normal straight time rate of pay in effect on the employee's termination date.
 - d. Termination pay of deceased employees shall be paid to the beneficiary designated in the life insurance policy provided by the City.

SECTION 13. EMPLOYEES ADVISORY BOARD

There may be established and maintained an Employees Advisory Board to serve in an advisory capacity in the formulation of personnel policy and administration of the personnel program and in the consideration of any matters affecting the quality of service of the City departments. Such Board may investigate, consider and report or make recommendations on personnel matters.

1. Makeup and Selection.

The Employees Advisory Board, if established, may consist of:

- a. All interested employees subject to the provisions of this policy.
- b. One Council member and the City Administrator, to be selected by a majority of the Council at the first meeting each January. All members shall be selected within thirty (30) days after adoptions of this policy, and thereafter members shall be selected during the month of January, to take office the following February 1. It shall be the duty of the City Administrator to arrange for necessary elections and to notify the Council when vacancies occur which

must be filled from the Council.

SECTION 14. INCORPORATION OF STATE AND FEDERAL LAW

1. **Adoption by Reference.** The following statutes are adopted by reference:
 - a. **Parental Leave Act.** One copy of said statute shall be kept at the office of the City Administrator for reference and a copy shall be included in the employee manual.
 - b. **AWAIR Act.** One copy of said statute shall be kept at the office of the City Administrator for reference and a copy shall be included in the employee manual.

SECTION 15. INCORPORATION OF CITY POLICIES

1. **Adoption by Reference.**
 - a. **Public Works Work Rules**, dated July 8, 1980 are adopted by reference. One copy of said rules shall be kept at the office of the City Administrator for reference and a copy shall be included in the employee manual.
 - b. **Sexual Harassment Policy**, dated January 17, 1992, is adopted by reference. One copy of said policy shall be kept at the office of the City Administrator for reference and a copy shall be included in the employee manual.