

# FAIRMONT CITY COUNCIL AGENDA

Monday, October 10, 2022, 5:30 p.m.

1. **Roll Call/Determination of Quorum**
2. **Pledge of Allegiance**
3. **Approval of Agenda**
4. **Recognition/Presentations**
  - 4.1 Coalition of Greater Minnesota Cities Presentation (03)
5. **Public Discussion/Comment** (Individual comments are limited to 3 minutes) (04)
6. **Consent Agenda** (Items removed from consent will be placed at the end of the items under new business)
  - A. **Minutes**
    - 6.A.1 Regular Meeting, September 26, 2022 (05)
    - 6.A.2 Special Meeting, September 30, 2022 (09)
  - B. **Check Registers**
  - C. **Other**
    - 6.C.1 Event Permit – Fairmont Chamber of Commerce, Glows Parade November 18, 2022 (11)
7. **Public Hearings**
8. **Old Business**
  - 8.1 Ordinance 2022-13 – Regulating the Sale of Certain Edible and Beverage Products Infused with Tetrahydrocannabinol (THC) Products (15)
9. **New Business**
  - 9.1 SMEC Lease Agreement (20)
  - 9.2 Resolution 2022-37 Defederalizing RLF 215 (27)
  - 9.3 Setting License Fee to Sell THC Products (29)

**9.4**    Liability Insurance Form **(31)**

**9.5**    Travel Expense & Reimbursement Policy **(34)**

**10.    Council Discussion**

**11.    Staff/Liaison Reports**

**A.    Public Works**

**B.    Finance**

**C.    City Administrator**

**D.    Mayor/Council**

Hasek – Airport, BZA

Kawecki – Planning Commission

Lubenow – HRA

Miller – FEDA

Peters – FEDA, BZA, Visit Fairmont

**12.    Adjournment**



Fairmont City Council  
October 10, 2022

Agenda Item: 4.1

**From:** Cathy Reynolds, City Administrator  
**To:** Mayor and City Council

**Subject:** Coalition of Greater Minnesota Cities Presentation

**Policy/Action Requested:** N/A

**Vote Required:** \_\_\_\_\_ Simple Majority      \_\_\_\_\_ Roll Call

**Recommendation:** No action needed

**Overview:** Marty Seifert with the Coalition of Greater Minnesota Cities will present an update on the work of the Coalition.

**Budget Impact:** N/A

**Attachments:**

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Council Action: \_\_\_\_\_ Date: \_\_\_\_\_



Fairmont City Council  
October 10, 2022

Agenda Item: 5

**From:** Cathy Reynolds, City Administrator

**To:** Mayor and City Council

**Subject:** Public Discussion/Comment

**INDIVIDUAL COMMENTS ARE LIMITED TO 3 MINUTES**

**Overview:** Prior to regular business, is there any public discussion/comment?

**Budget Impact:** N/A

**Attachments:** N/A

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Council Action: \_\_\_\_\_ Date: \_\_\_\_\_



Fairmont City Council  
October 10, 2022

Agenda Item: 6.A.1

**From:** Patricia J. Monsen, City Clerk  
**To:** Mayor and City Council

**Subject:** Council Minutes from Regular Meeting on September 26, 2022

**Policy/Action Requested:** To Approve City Council Minutes from September 26, 2022

**Vote Required:**  Simple Majority  Roll Call

**Recommendation:** Approval

**Overview:**

**Budget Impact:** N/A

**Attachments:** City Council Minutes Regular Meeting, September 26, 2022

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Council Action: \_\_\_\_\_ Date: \_\_\_\_\_

The minutes of the Fairmont City Council meeting held on Monday, September 26, 2022, at the City Hall Council Chambers.

Mayor Deborah J. Foster called the meeting to order at 5:30 p.m.

Council Members Wayne Hasek, Britney Kawecki, Randy Lubenow and Michele Miller were present. Council Member Bruce Peters was absent. Also in attendance: City Administrator Cathy Reynolds, Public Works Director/City Engineer Troy Nemmers, Finance Director Paul Hoye, Police Chief Mike Hunter, Planner/Zoning Official Peter Bode, Economic Development Coordinator Ned Koppen, City Clerk Patricia Monsen and City Attorney Mark Rahrick, via telephone.

Council Member Hasek made a motion to approve the agenda as presented. Council Member Miller seconded the motion and the motion carried.

Mayor Foster recognized city employees for their years of service. Michael Heckman of the Line Department for 15 years and Dustin Schwebke from the Police Department for 15 years.

Reynolds introduced Ned Koppen as the city's new Economic Development Coordinator.

Kids Just Want to Have Fun gave a presentation on a proposed bike share program.

During Public Comment, Council Member Lubenow shared a story about his family and the Rosen Family.

Council Member Miller made a motion to approve the Consent Agenda. Council Member Lubenow seconded the motion and the motion carried. Items on the Consent Agenda were: minutes from the September 12, 2022 city council meeting and payment of the September 2022 accounts payable.

Mayor Foster opened the public hearing on proposed **Ordinance 2022-12**, regulating the discharge of manure within city limits. The following people spoke in support of the ordinance: Ruth and Rob True of 1435 Holland Street; Molly Meyer of 1332 Holland Street; Kathy Gronewald of 1447 Larson Lane, Jay Maynard of 1831 Oakwood, Marlene Johnson of 1426 Holland Street and Jeff Schuett of 1306 Holland Street. Council Member Miller made a motion to close the public hearing. Council Member Lubenow seconded the motion and the motion carried. Council Member Lubenow made a motion to schedule a special meeting for the second reading of proposed **Ordinance 2022-12** on Friday, September 30, 2022 at 5:00 p.m. in the city hall council chambers. Council Member Hasek seconded the motion. On roll call: Council Members Hasek, Kawecki, Lubenow and Miller all voted aye. No one voted nay. Mayor Foster declared said motion passed.

Mayor Foster opened the public hearing on proposed **Ordinance 2022-13**, regulating the sale of certain edible and beverage products infused with tetrahydrocannabinol (THC) products. Steph Johnson, Shelly Larson, Liz Wheeler, Eden Dunker, Emily Wheeler, Jazzi Lopez and Norah Heille all members or coordinators with Martin County Substance Abuse Prevention Coalition spoke of the importance to regulate THC and in support of **Ordinance 2022-13**. Jeff Schuett of 1306 Holland Street questioned who would be able to get a license. Nick Bulfer of 901 Bixby Road stated that he works at Smokey Tobacco and stated that they do not allow minors in their

store and are not in the business to addict children in Fairmont. He stated he is not against the ordinance. Council Member Miller made a motion to close the public hearing. Council Member Lubenow seconded the motion and the motion carried.

Council Member Miller made a motion to approve **Amended Resolution 2022-34**, adopting the proposed tax levy for 2023. Council Member Lubenow seconded the motion. On roll call: Council Members Hasek, Kawecki, Lubenow and Miller all voted aye. No one voted nay. Mayor Foster declared said motion passed.

Council Member Miller made a motion to approve **Ordinance 2022-11**, repealing and replacing in its entirety Fairmont City Code, Chapter 25 Utilities, Article IX Stormwater Management. Council Member Hasek seconded the motion. On roll call: Council Members Kawecki, Lubenow, Miller and Hasek all voted aye. No one voted nay. Mayor Foster declared said motion passed.

Council Member Kawecki made a motion to table agenda item 8.3 Charter Commission Additional Budget Request, due to the fact that it was not presented to the council prior to the meeting. Council Member Lubenow seconded the motion. On roll call: Council Members Lubenow and Kawecki voted aye. Council Members Miller and Hasek voted nay. Due to the tie vote, Mayor Foster voted nay and said motion failed. Council Member Kawecki made a motion to approve the Charter Commission's request for an additional \$2,500 to be allocated to their 2022 budget. Council Member Lubenow seconded the motion. On roll call: Council Member Kawecki voted aye. Council Members Miller, Hasek and Lubenow voted nay. Mayor Foster declared said motion failed.

Nemmers reminded citizens that starting in October the City will be changing out meters and would appreciate everyone's cooperation.

Reynolds shared that on October 3, 2022, from 5:00 p.m. – 7:00 p.m. an open house will be held at the Southern Minnesota Educational Campus located at 115 South Park Street for the Whitetail Ridge Twin Homes to be built. More information about the project will be shared at this meeting and they will be taking presales. Reynolds also shared that the city will be looking for community engagement on social media for the Gomsrud Park project and the Community Center and encouraged citizens to be watching for these opportunities.

Council Member Hasek stated that some sidewalks are being replaced at the Airport and some repairs are being made in the terminal. He was unable to attend the PUC meeting.

Council Member Kawecki shared that the library is looking to hire an assistant library director and that everything is going very well at the library. She also stated that the Safety Council meeting was canceled.

Council Member Lubenow reported that the Community Center Advisory Board received an update on what has been designed and is looking at what can be built within their budget of 20 million. He also reported that the Park Board is waiting for the Gomsrud Park design drawings, the shelter houses will be closing in the month of October and the Park Board passed some new park rules, which included some price increases for shelter rentals.

A motion was made by Council Member Hasek, seconded by Council Member Miller and carried to adjourn the meeting at 7:46 p.m.

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Deborah J. Foster, Mayor

ATTEST:

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Patricia J. Monsen, City Clerk





Fairmont City Council  
October 10, 2022

Agenda Item: 6.A.2

**From:** Patricia J. Monsen, City Clerk  
**To:** Mayor and City Council

**Subject:** Council Minutes from Special Meeting on September 30, 2022

**Policy/Action Requested:** To Approve Special City Council Minutes from September 30, 2022

**Vote Required:**  Simple Majority  Roll Call

**Recommendation:** Approval

**Overview:**

**Budget Impact:** N/A

**Attachments:** City Council Minutes Regular Meeting, September 30, 2022

\*\*\*\*\*  
Council Action: \_\_\_\_\_ Date: \_\_\_\_\_

The minutes of the Special Fairmont City Council meeting held on Friday, September 30, 2022, at the City Hall Council Chambers.

Mayor Deborah J. Foster called the meeting to order at 5:00 p.m.

Council Members Wayne Hasek, Randy Lubenow and Michele Miller were present. Council Members Britney Kawecki and Bruce Peters were absent. Also in attendance: City Administrator Cathy Reynolds, Police Chief Mike Hunter, City Clerk Patricia Monsen and City Attorney Ben Cass, via telephone.

Council Member Lubenow made a motion to approve the agenda as presented. Council Member Hasek seconded the motion and the motion carried.

Council Member Lubenow made a motion to approve **Ordinance 2022-12**, regulating the discharge of manure within city limits. Council Member Miller seconded the motion. On roll call: Council Members Hasek, Lubenow and Miller all voted aye. No one voted nay. Mayor Foster declared said motion carried.

A motion was made by Council Member Lubenow, seconded by Council Member Hasek and carried to adjourn the meeting at 5:03 p.m.

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Deborah J. Foster, Mayor

ATTEST:

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Patricia J. Monsen, City Clerk



Fairmont City Council  
October 10, 2022

Agenda Item: 6.C.1

**From:** Patricia J. Monsen, City Clerk  
**To:** Mayor and City Council

**Subject:** Event Permit – Fairmont Chamber of Commerce, Glows Parade, November 18, 2022

**Policy/Action Requested:** Motion to approve an Event Permit for the Fairmont Chamber of Commerce to hold the Glows Parade on November 18, 2022.

**Vote Required:**  Simple Majority       Roll Call

**Recommendation:** Approval

**Overview:** The Fairmont Chamber of Commerce has made application for an Event Permit to hold the Glows Parade on November 18, 2022. The parade will begin at 6:00 p.m. and will go from Ward Park proceed north on Downtown Plaza, North North Avenue to Winnebago Avenue.

**Budget Impact:** N/A

**Attachments:** Event Permit Application

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Council Action: \_\_\_\_\_ Date: \_\_\_\_\_



# EVENT APPLICATION/PERMIT

This form must be filed with the City at least thirty (30) days in advance of the event. The City will review the application in accordance with the permitting process outlined in the City Code, Chapter 18. Attach additional sheets, maps, etc. if necessary. For events which include overnight camping a separate addendum must be included with the event application.

Date: September 22, 2022

Permit Fee: \$15.00

Event: Glows Parade Sponsoring entity: Fairmont Chamber of Commerce

Address: 323 E Blue Earth Ave - Fairmont

Maximum estimated number of persons expected to attend at any one time: 1,000?

Event coordinator(s): Kandi Menne

Contact Info: Phone # 235.5547 work E-mail: info@fairmontchambe.org

Primary contacts (during event):

Name: Kandi Menne Cell#: 507.525.4324 info@fairmontchamber.org

Event Start: Day/Date: Friday Nov 18, 2022 Time: 5:15 line up - 6pm parade start

Event End: Day/Date Friday Nov 18 2022 Time: 7:15 pm

Setup: Day/Date Thursday 17 or Friday Nov 18 2022 (parade stakes) - annually the city crew blocks off streets day of parade - police dept. provides safety and security back up- thank you!

Start time: \_\_\_\_\_ End Time: \_\_\_\_\_ Teardown: \_\_\_\_\_ Day/Date \_\_\_\_\_ Start time: \_\_\_\_\_ End Time: \_\_\_\_\_

- 1. Type and description of the event and a list of all activities to take place at the event. Santa arrives at the airport at 4:15 pm - parade starts at 6:00 pm -

\_\_\_\_\_
\_\_\_\_\_
\_\_\_\_\_
\_\_\_\_\_

- 2. Proposed location of event, including a site plan or diagram of the proposed area to be used showing the location of any barricades, perimeter/security fencing, fire extinguishers, safety or first aid stations, entertainment, stages, restrooms or portable toilets, parking areas, ingress and egress routes, signs, special lighting, trash containers and any other items related to the event. attached



3. Will outside drinking water or waste collection systems be supplied? \_\_\_\_ Yes; \_\_x\_\_ No  
If yes, supply public health plans, including the number of toilet facilities that will be available.
  
4. Will the event be providing: fire prevention, emergency medical service, security and severe weather shelter. \_\_\_\_ Yes; \_\_x\_\_ No  
If yes, provide the written plans.
  
5. Will organizers allow outside food wagon/vendors at the event? \_\_x\_\_ Yes; \_\_\_\_ No  
If yes, all food wagons/vendors must complete a Food Wagon/Vendor Permit and submit payment.
  
6. Will camping or temporary overnight lodging be included for the event? (allowed only at Cedar Creek Park and Winnebago Sports Complex): \_\_\_\_ Yes; \_\_x\_\_ No  
If yes, event coordinator must complete temporary overnight camping permit and submit payment.
  
7. Will the event be using any sound amplification, public address system or will there be any live performances of any music or musical instruments? x Yes; \_\_\_\_ No  
If yes, please describe: undetermined if any marching bands will participate - many entries have music and of course lights!
  
8. Will the event restrict or alter normal parking, vehicular traffic or pedestrian traffic patterns? \_\_x\_\_ Yes; \_\_\_\_ No  
If yes, provide a detailed description of all public rights of way and private streets for which the applicant requests the city to restrict or alter traffic flow. (Please attach a detailed map).
  
9. Will you be providing shuttle service? \_\_\_\_ Yes; \_\_x\_\_ No  
If yes, provide offsite parking locations, shuttle routes, types of vehicles that will be used for shuttling passengers, hours of operation and frequency of shuttle service.

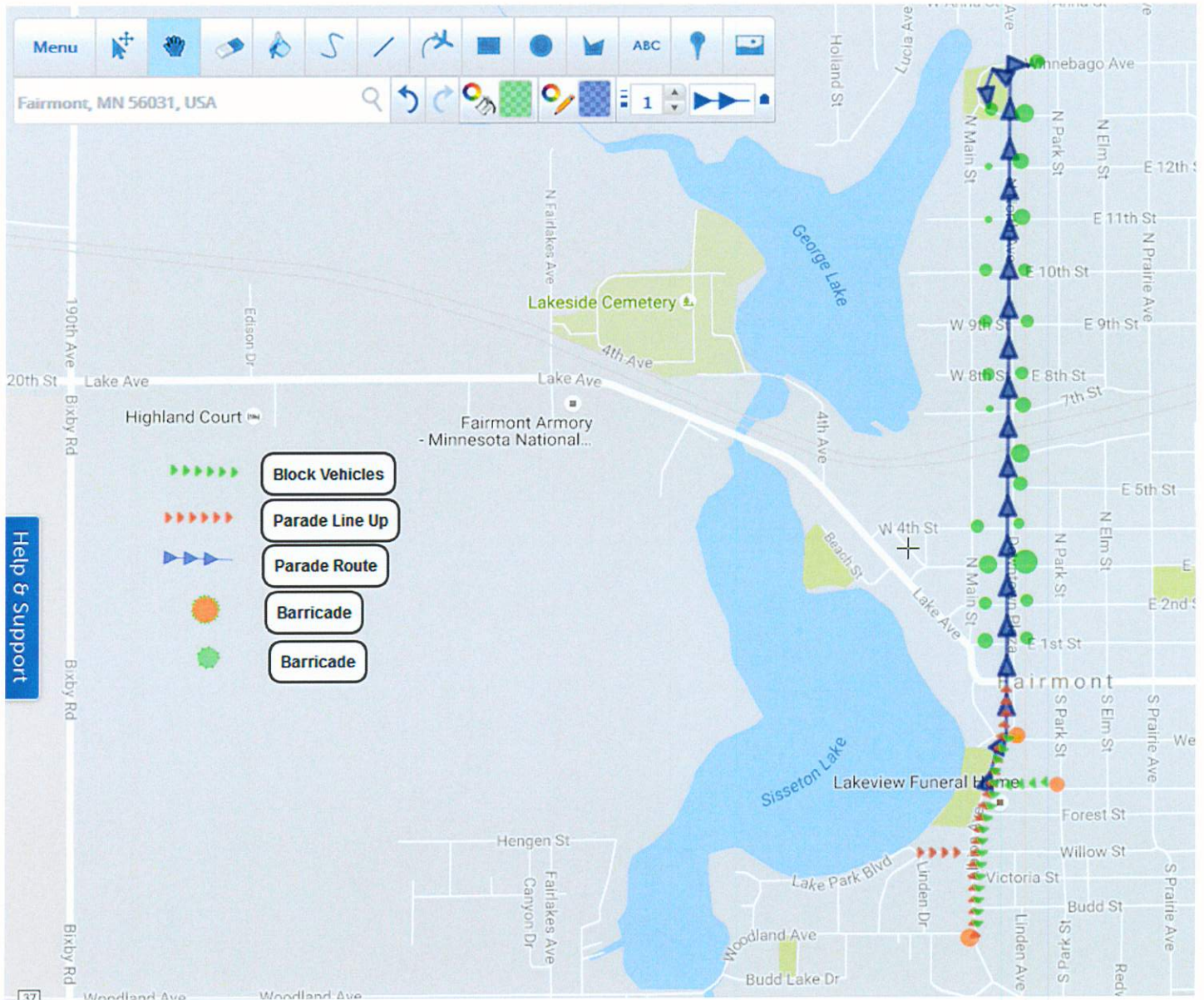
I affirm that I am authorized to execute this application on behalf of the applicant and that the statements contained therein are true and correct to the best of my knowledge. If the special event requires special services provided by the City of Fairmont, the applicant agrees to indemnify, defend and hold the City of Fairmont, its officials, employees, and agents harmless from any claim that arises in whole or in part out of the special event, except any claims arising solely out of the negligent acts or omissions of the City of Fairmont, its officials, employees and agents. The applicant agrees to pay all fees and meet all City Code requirements.

Signature *Kandi Mene* Title Office manager / director of communications Date 09.22.2022

If you would like your event published on the City's website/Community Calendar, please indicate: \_\_x\_\_ Yes; \_\_\_\_ No

Office Use Only			
\$15.00 Fee Paid	Date: <u>9/27/22</u>	Received by: <u>[Signature]</u>	
Requires Council Approval	<input checked="" type="checkbox"/> Yes; ____ No	Council Meeting Date: <u>10/10/22</u>	Action:
City Administrator Approval	Yes	No	Date

- Permit distribution:
- \_\_\_ City
  - \_\_\_ Applicant
  - \_\_\_ Police
  - \_\_\_ Parks/Streets
  - \_\_\_ Other







Fairmont City Council  
October 10, 2022

Agenda Item: 8.1

**From:** Cathy Reynolds, City Administrator  
**To:** Mayor and City Council

**Subject:** Ordinance Regulating Edible Cannabinoid Products

**Policy/Action Requested:** Motion to approve Ordinance 2022-13 regulating the sale of certain edible and beverage products infused with tetrahydrocannabinol (THC) products.

**Vote Required:** \_\_\_\_ Simple Majority       X  Roll Call

**Recommendation:** Staff recommends approval.

**Overview:**

A new law was enacted at the end of the 2022 legislative session that allows certain edible and beverage products infused with tetrahydrocannabinol (THC) to be sold. Since the enactment of the law, the League of Minnesota Cities has been researching and collecting information from state agencies and stakeholders to answer questions pertaining to local regulatory authority, law enforcement, taxing, and employment. During the July 25, 2022 council meeting we discussed the option of passing a moratorium on the sale of these products inside city limits to allow some additional research to be completed or moving forward with an ordinance regulating the sale of edible THC products. At that meeting council requested that we move forward with drafting an ordinance regulating.

Staff has drafted an ordinance that will require businesses that wish to sell edible THC products in accordance with state statute to apply for a license from the city. This will be handled similar to the tobacco licensing currently completed by the city. In addition to setting out a licensing structure the ordinance imposes additional regulatory requirements on licensees. The main items included in these regulatory requirements are:

1. The licensed premises may not be a moveable place of business.
2. A license must be at least 21 years of age.
3. A licensed business can not be within 300 feet of any school, park, library, public sports field, sports arenas, and all government owned properties.
4. Edible THC may not be sold by a minor.
5. Edible THC products must be sold in a face-to-face exchange, no vending machines.
6. Edible THC products can not be sold through the use of self-service merchandising displays. (Must be behind the counter, like tobacco.)
7. No free samples, donations, or sale for nominal cost may occur.

Additionally, the ordinance makes it a misdemeanor for a person under the age of 21 to purchase, have in their possession, or use edible cannabinoid products. The state statute makes it illegal to sell to someone under the age of 21 but does not address the possession or use of the products.

A public hearing was held on the proposed ordinance at the September 26, 2022 city council meeting. During the meeting comment was heard from local residents and the business community on the proposed ordinance. The proposed ordinance is now back for council to take final action.

Resolution 2022-38 is included in the agenda for council's action to set the licensing fees if the proposed ordinance is adopted.

**Budget Impact:**

None

**Attachments:**

1. Ordinance 2022-13

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Council Action: \_\_\_\_\_

Date: \_\_\_\_\_



**ORDINANCE NO. 2022-13**

**STATE OF MINNESOTA)**  
**COUNTY OF MARTIN ) ss**  
**CITY OF FAIRMONT )**

**ORDINANCE REGULATING THE SALE OF CERTAIN EDIBLE AND BEVERAGE PRODUCTS INFUSED WITH TETRAHYDROCANNABINOL (THC) PRODUCTS**

**WHEREAS**, during the 2022 Minnesota Legislative Session, the legislature passed H.F. number 4065 as Chapter 98 of the session laws; and,

**WHEREAS**, as part of Chapter 98, Article 13 makes several changes to Minnesota Statutes section 151.72 regarding the sale of certain cannabinoid (CBD products for human or animal consumption; and,

**WHEREAS**, the changes to Minnesota Statutes section 151.72 allow the sale of certain cannabinoid products for human or animal consumption; and,

**WHEREAS**, the City of Fairmont desires to regulate the sale of cannabinoid products inside city limits to protect the health, safety and welfare of its residents.

**NOW THEREFORE the City of Fairmont does ordain the following shall be inserted in the Fairmont City Code:**

**“Article VI. Cannabinoid Dealers**

**14.70 Definitions**

- (a) *Certified Hemp* has the meaning given in Minn. Stat. § 151.72, subd. 1.
- (b) *Edible Cannabinoid Product* has the meaning given in Minn. Stat. § 151.72, subd. 1.
- (c) *Hemp* has the meaning given in Minn. Stat. § 151.72, subd. 1.
- (d) *Movable place of business* means a business whose physical location is not permanent or is capable of being moved or changed, including, but not limited to, any business that is operated from a kiosk, other transportable structure or shelter, or a motorized or nonmotorized vehicle.
- (e) *Non-intoxicating cannabinoid* has the meaning given in Minn. Stat. § 151.72, subd. 1.
- (f) *Self-service merchandising* means open displays of edible THC products in any manner where any person has access to the edible THC products without the assistance or intervention of the licensee or licensee’s employee.
- (g) *THC* means tetrahydrocannabinol.
- (h) *Vending machine* means any mechanical, electric or electronic, self-service device which, upon inserting money, tokens, or any other form of payment, dispenses edible THC products and including vending machines equipped with manual, electric or electronic locking devices.

**14.71 Edible Cannabinoid Dealer License**

No person shall, directly or indirectly keep for retail sale, sell at retail, or otherwise dispose of any

edible cannabinoid product in any form unless a license therefor shall first be obtained by the city.

- (a) Separate licenses are required for the sale of edible cannabinoid products at more than one (1) place of business.
- (b) No license may be transferred to another location, or person, without the approval of Council.
- (c) Licenses must be displayed and plainly visible to the public at the licensed location.
- (d) The fee for an edible cannabinoid license shall be set by resolution of the council.

**14.72 Ineligibility.** No license shall be issued under this section to:

- (a) A moveable place of business.
- (b) A person under twenty-one (21) years of age.
- (c) A person who has knowingly misrepresented or falsified information on the license application.
- (d) A person who has been convicted within the past five (5) years of any violation of a federal, state, or local law, ordinance provision or other regulation governing the manufacture, sale, distribution or possession for sale or distribution of any products containing THC.
- (e) A person who is prohibited by federal, state, or other local law, ordinance, or other regulation from holding a license.
- (f) A person who does not have, or at the time of the issuance of a license at least one permanent physical premises in the City on which the licensed business will be located.
- (g) Any location within 300 feet of any school, park, library, public sports fields, sports arenas, and all government owned properties.

**14.73 Exemption.**

This Article does not apply to the sale of any product by a registered medical cannabis manufacturer pursuant to Minnesota Statutes 152.22 to 152.37.

**14.74 Inspections.**

Any police officer, building inspector, or any properly designated officer or employee of the city shall have the unqualified right to enter, inspect and search the public portion of the premises of a licensee under this Article during business hours without a search warrant.

**14.75 Regulations**

A licensee holder under the terms of this Article must comply with the following regulations.

- (a) No product containing any cannabinoid or tetrahydrocannabinol extracted or otherwise derived from hemp may be sold to any individual who is under the age of 21.
- (b) No minor shall be employed to sell edible cannabinoid products in any establishment holding a license issued pursuant to this article.
- (c) A licensee may sell edible THC products only in a direct face-to-face exchange between the licensee or the licensee's employee and the consumer.
- (d) No person may sell or dispense any edible THC product through the use of vending machines or by means of delivery.
- (e) No person may sell or dispense any edible THC product through the use of self-service merchandising displays.

- (f) No person may distribute samples of any edible THC product free of charge or at a nominal cost. The distribution of edible THC products as a free donation is prohibited.
- (g) No person may sell any edible THC product that is not in compliance with the requirements of Minn. Stat. § 151.72, including but not limited to the packaging, labeling, and other requirements for edible cannabinoids provided by Minn. Stat. § 151.72, subdivisions 4, 5, and 5a.
- (h) A licensee is responsible for the conduct of their place of business and the conditions of order in it. The act of an employee of the licensee is deemed the act of the licensee as well, and the licensee is liable for all penalties provided by this section equally with the employee.

**14.76 Underage Possession/Use**

No person under the age of 21 may purchase, have in their possession, or use edible cannabinoid products.

**14.77 Violations and Enforcement**

Any person, firm or corporation who shall violate any of the provisions hereof or shall fail to comply with any of the provisions hereof shall be guilty of a misdemeanor.”

Passed by the City Council of the City of Fairmont, Minnesota, this 10th day of October 2022.

\_\_\_\_\_  
Deborah J. Foster, Mayor

ATTEST:

\_\_\_\_\_  
Patricia Monsen, City Clerk

Motion by: Council Member  
Seconded by: Council Member  
All in Favor: Council Members  
Opposed:  
Abstained:  
Absent:

1st Reading: September 16, 2022  
2nd Reading: October 10, 2022



Fairmont City Council  
October 10, 2022

Agenda Item: 9.1

**From:** Cathy Reynolds, City Administrator  
**To:** Mayor and City Council

**Subject:** SMEC Lease Agreement

**Policy/Action Requested:** Motion to approve the lease agreement with STEP Inc for space in the SMEC building.

**Vote Required:**  Simple Majority  Roll Call

**Recommendation:** Staff recommends approval.

**Overview:**

STEP, Inc has contacted the City regarding the opportunity to lease space in the SMEC building. The lease will provide them space in the offices found on the first floor, room 105. The lease is a three-year lease agreement with a 2% increase each year of the lease and is proposed to start on November 1, 2022.

Staff recommends approval of the lease.

**Budget Impact:**

None

**Attachments:**

- 1. Lease Agreement with STEP Inc

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Council Action: \_\_\_\_\_

Date: \_\_\_\_\_

## LEASE

THIS LEASE AGREEMENT is made by and between the City of Fairmont hereinafter referred to as LESSOR, and STEP Inc. hereinafter referred to as LESSEE.

WITNESSETH: LESSOR and LESSEE, in consideration of the rents, covenants and considerations hereinafter specified, do hereby agree each with the other as follows:

1. LEASED PREMISES  
LESSOR grants and LESSEE accepts the lease of the following described Leased Premises located in the City of Fairmont, County of Martin, Minnesota, to-wit: **Room 105** (Total approximate space is **1501 square feet** of the Southern Minnesota Education Campus (SMEC) located at 115 S. Park Street.
2. USE  
LESSEE shall have exclusive use of space and shall occupy and use the Leased Premises as office and program space consistent with the LESSEE's mission.
3. TERM  
The term of this Lease Agreement is three (3) years, commencing on November 1, 2022 and continuing through October 31, 2025.
4. PAYMENT OF RENT
  - 4.1 As rent for the Leased Premises and in consideration for all covenants, representations and conditions of this Lease Agreement LESSEE agrees to pay to LESSOR the sum of \$22,289.85 per year (\$1857.49 monthly), with a 2% increase effective November 1, 2023 and each November thereafter.
  - 4.2 . Rent payments should be made in twelve (12) equal installments starting in November payable by the 25th of each month.
  - 4.3 LESSOR represents and warrants that it is solely entitled to all rents payable under the terms of this Lease Agreement.
5. OPTION TO RENEW  
This agreement may be renewed on an annual basis following the initial term of the lease. Notice of intent to renew should be provided 60 days prior to the expiration of the lease term. Rental rates will be set with each renewal period.
6. TERMINATION
  - 6.1 This Lease Agreement may be terminated by either party upon giving ninety (90) days written notice.
  - 6.2 LESSEE covenants that at the termination of this Lease Agreement by lapse of time or otherwise, it shall remove its personal property and vacate and surrender possession of the Leased Premises to LESSOR in as good

condition as when LEESEE took possession, ordinary wear and damage by the elements excepted. Any equipment, trade fixtures or furniture installed by LESSEE, including but not limited to moveable partitions, shelving units, projection screens and audio-video equipment attached to the Leased Premises by LEESEE, shall remain the property of LESSEE. LESSEE shall have the right to remove the above equipment or fixtures at the expiration or termination of the Lease Agreement or any extension thereof, even though said equipment or fixtures are attached to the Leased Premises. LESSEE must repair any damage from removal of equipment as its sole cost.

7. DUTIES OF LESSOR

LESSOR shall, at its expense, provide the following:

7.1 Utilities: LESSOR shall bear the cost of all utilities.

7.2 Janitorial Service: LESSOR shall provide janitorial services and supplies to the common areas of the building.

7.3 Trash Removal: LESSOR shall provide the Leased Premises with a means or system of waste or trash disposal.

7.4 Common Areas: LESSOR shall provide sufficient light, heat and maintenance to the common areas and public access areas of the Leased Premises, including stairways, elevators, lobbies, and hallways, so that such areas shall be safe and reasonably comfortable.

7.5 Snow Removal: LESSOR shall keep the public sidewalks adjacent to the building and any sidewalks or stairways leading from the public sidewalks to the building free from snow, ice, and debris, including the parking lot.

7.6 Restrooms: LESSOR shall provide the Leased Premises with separate restroom facilities for both men and women. Restrooms will be public and not part of the LESSEE space.

7.7 Maintenance: LESSOR shall maintain in working condition all appurtenances within the scope of this Lease Agreement, including the maintenance of proper plumbing, wiring, heating (and, where applicable, cooling) devices and ductwork.

7.10 Repairs: LESSOR shall make such necessary repairs so as to continue to provide all such service appurtenances as are required by this Lease Agreement, provided, however, that LESSOR shall not be responsible for repairs upon implements or articles which are the personal property of LESSEE, nor shall LESSOR bear the expense of repairs to the Leased Premises necessitated by damage caused by LESSEE beyond normal wear and tear.

7.11 Delivery of Leased Premises: LESSOR covenants that it will deliver the Leased Premises to LESSEE in a clean and sanitary condition with all

services and appurtenances included within the scope of this Lease Agreement in effect and in good running order.

7.12 Quiet Enjoyment: LESSEE shall have the quiet enjoyment of the Leased Premises during the full term of the Lease Agreement any extension or renewal thereof.

7.13 Taxes and Assessments: LESSOR shall be responsible for payment of all taxes and assessments upon the Leased Premises.

7.14 Exterior Lighting: LESSOR shall provide adequate exterior lighting in the parking lots, building entrance/exits and loading dock areas.

7.15 Accessibility: LESSOR agrees to provide and maintain the Leased Premises and the building of which the Leased Premises are a part with accessibility and facilities meeting code requirements for handicapped persons, pursuant to all applicable laws, rules, ordinances and regulations as issued by any federal, state or local political subdivisions having jurisdiction and authority in connection with said property.

7.16 Management: LESSOR agrees that in exercising its management responsibilities of the property of which the Leased Premises are a part, including the maintenance, repair, alterations and construction relating thereto, it shall comply with all applicable laws, statutes, rules, ordinances and regulations, including but not limited to building code, disabilities access, zoning, air quality, pollution control, recyclable materials and prevailing wage requirements, as issued by any federal, state or local political subdivisions having jurisdiction and authority in connection with said property.

8. DUTIES OF LESSEE

8.1 LESSEE shall allow access to the Leased Premises by LESSOR or its authorized representatives at any reasonable time during the life of this Lease Agreement for any purpose within the scope of this Lease Agreement. LESSOR shall also have the right to rent all other general classroom space as necessary.

8.2 LESSEE shall not use the Leased Premises at any time for any purpose forbidden by law.

8.3 LESSEE shall not assign, sublet, or otherwise transfer its interest in this Lease Agreement without the prior written consent of LESSOR.

8.4 LESSEE shall make no alterations, additions, or changes in the Leased Premises without the advance written consent of LESSOR. All alterations, additions, improvements and fixtures, which may be made or installed by LESSOR upon the Leased Premises and which in any manner are attached to the floors, walls or ceilings, at the termination of this lease shall remain the property of LESSOR and shall remain upon and be

surrendered with the Leased Premises as a part thereof, without damage or injury beyond normal wear and tear and floor covering affixed to the floor shall likewise become the property of LESSOR.

8.5 LESSEE agrees to observe reasonable precautions to prevent waste of heat, electricity, water, air conditioning, any other utility or any service, whether such is furnished by LESSOR or obtained and paid for by LESSEE.

8.6 Smoking: Pursuant to Minnesota Statute 16B.24, subd. 9 (1993), occupants of the Leased Premises shall not smoke nor permit smoking in the Leased Premises or on the property.

9. USABLE SPACE MEASUREMENTS

This lease covers the use of Room 105. Total approximate space is 1501 square feet. LESSEE may use conference room 112 when available and on a temporary basis.

10. DESTRUCTION OF PREMISES

If the Leased Premises shall be destroyed or damaged by fire, tornado, flood, civil disorder, or any cause whatsoever, so that the Leased Premises become untenable, the rent shall be abated from the time of such damage and LESSEE shall have the option of terminating this Lease Agreement immediately or allowing LESSOR such amount of time as LESSEE deems reasonable to restore the damaged Lease Premises to tenantable condition.

11. INSURANCE

11.1 Property Damage. It shall be the duty of LESSOR and LESSEE to maintain insurance or self-insurance on their own property, both real and personal. Notwithstanding anything apparently to the contrary of this Lease Agreement, LESSOR and LESSEE hereby release one another and their respective partners, officers, employees and property manager from any and all liability or responsibility to the other or anyone claiming through or under them by way of subrogation or otherwise for loss or damage covered by said insurance, even if such loss or damage shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible.

11.2 Liability. LESSOR and LESSEE agree that each party will be responsible for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of any others and the results thereof. LESSEE'S liability shall be governed by the provisions of the Minnesota Tort Claims Act, Minnesota Statutes, Section 3.736, and other applicable law.



12. BUILDING ACCESS  
LESSOR shall provide for access to the Leased Premises between the hours of 8:00 a.m. and 4:30 p.m. Monday through Friday. Additional hours of access may be coordinated with LESSOR.
13. PARKING  
LESSOR shall provide general use parking either on site or off site at no charge for the use of LESSEE, its invitees, licensees and guests. It is understood by LESSOR and LESSEE that there is no additional rental charge for parking provided in this Lease Agreement.
14. TELECOMMUNICATIONS  
LESSEE shall provide for and contract for all telephone and internet services through a private provider.
15. NOTICES  
All notices, or communications between LESSOR and LESSEE shall be deemed sufficiently given or rendered if in writing and delivered to either party personally or sent by registered or certified mail addressed as follows:

LESSOR: Cathy Reynolds, City Administrator  
City of Fairmont  
100 Downtown Plaza  
Fairmont, MN 56031

LESSEE: STEP Inc.  
5 Downtown Plaza  
Fairmont, MN 56031

**All original bills and statements from LESSOR to LESSEE shall be mailed or personally delivered to the occupant of the Leased Premises only.**

16. NEW LESSOR  
In the event the Leased Premised or the building of which the same is a part shall be sold, conveyed, transferred, assigned, leased or sublet, or if LESSOR shall sell convey, transfer, or assign this Lease Agreement or rents due under this Lease Agreement, or if for any reason there shall be a change in the manner in which the rental reserved hereunder shall be paid to LESSOR, proper written notice of such change must be delivered to LESSEE as promptly as possible.

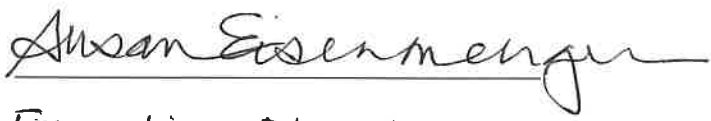
INWITNESS WHEREOF, the parties have set their hands on the date(s) indicated below intending to be bound thereby.

**APPROVED:**

Lessor: City of Fairmont

By: Deborah J. Foster  
Title: Mayor  
Date: \_\_\_\_\_

Lessee: STEP Inc

By:   
Title: Executive Director  
Date: 10 / 4 / 2022



Fairmont City Council  
October 10, 2022

Agenda Item: 9.2

**From:** Ned Koppen, Economic Development Coordinator  
**To:** Mayor and City Council

**Subject:** Resolution – 2022-37, Defederalizing RLF 215

**Policy/Action Requested:** Motion to approve Resolution 2022-37, Defederalizing Revolving Loan Fund 215  
**Vote Required:**  Simple Majority  Roll Call

**Recommendation:** Approval

**Overview:**

The United States EDA has invited the Fairmont City Council to request release of EDA’s federal interest in the organizations long-held EDA revolving loan fund.

The defederalization of this RLF will reduce the Fairmont City Council administrative burden and allow RLF award funds to be used for broader economic development purposes, including less- restrictive lending.

Once defederalized, use of these funds can be used towards purchasing land or other economic development investments without the restrictions of the RLF.

**Budget Impact:** The defederalization of this fund creates an opportunity to utilize the \$619,006.03 to the City of Fairmont’s and FEDA’s best advantage moving forward.

**Attachments:** Resolution 2022-37

\*\*\*\*\*  
Council Action: \_\_\_\_\_ Date: \_\_\_\_\_

**RESOLUTION NO. 2022-37**

STATE OF MINNESOTA )  
COUNTY OF MARTIN )  
CITY OF FAIRMONT )

**RESOLUTION SUPPORTING THE REQUEST TO DEFEDERALIZE THE FAIRMONT  
ECONOMIC DEVELOPMENT AUTHORITY REVOLVING LOAN FUND**

WHEREAS, the City of Fairmont received a Federal Economic Development Authority (EDA) Revolving Loan Fund (RLF) Award in September 1988; and,

WHEREAS the original loan amount is \$241,330.00; and,

WHEREAS the current value of the RLF is \$619,006.03; and,

WHEREAS the Fairmont Economic Development Revolving Loan Fund (RLF) has operated satisfactorily for more than seven years beyond grant disbursement; and,

WHEREAS, the United States EDA has invited the Fairmont Economic Development Authority to request release of EDA's federal interest in the organizations long-held EDA revolving loan fund; and,

WHEREAS the defederalization of this RLF will reduce the Fairmont Economic Development Authority administrative burden and allow RLF award funds to be used for broader economic development purposes, including less-restrictive lending; and,

WHEREAS the Fairmont Economic Development Authority approved Resolution 2022-03 supporting the release of the United States EDA's federal interest in the qualifying revolving loan fund; and,

WHEREAS the Fairmont Economic Development Authority is committed to using associated dollars to continue to support our region's economy and promote job retention and expansion.

NOW THEREFORE BE IT RESOLVED that the City of Fairmont requests the release of the United States EDA's federal interest in the qualifying revolving loan fund.

BE IT FURTHER RESOLVED that the City of Fairmont will comply with any ongoing restrictions required by the Reinvigorating Lending for the Future Act.

ADOPTED this 10<sup>th</sup> day of October 2022.

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Deborah J. Foster, Mayor

ATTEST:

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Patricia J. Monsen, City Clerk



Fairmont City Council  
October 10, 2022

Agenda Item: 9.3

From: Patricia J. Monsen, City Clerk  
To: Mayor and City Council

Subject: Setting License Fee to Sell THC Products

Policy/Action Requested: Motion to approve Resolution 2022-38

Vote Required:  Simple Majority  Roll Call

Recommendation: Approval

Overview: At the July 25, 2022 city council meeting, the city council directed staff to draft an ordinance regulating the sale of edible cannabinoid products. In response to this direction staff prepared Ordinance 2022-13 establishing a business licensing and regulatory framework for the sale of edible cannabinoid products inside city limits. A public hearing on the ordinance was held at the September 26, 2022 city council meeting and the ordinance is scheduled to come back to the city council for final action at the October 10, 2022 council meeting.

If Ordinance 2022-13 is adopted by the council, a fee for this new license needs to be set by resolution. Staff has evaluated the fees charged for other licenses in the city and has determined that a \$200.00 fee for a license to sell certain edible and beverage products infused with tetrahydrocannabinol (THC) products would be appropriate. Resolution 2022-38 establishes that fee.

An initial application will require a background investigation which fee has previously been set at \$100.00 for all new business license applications.

Budget Impact: N/A

Attachments: Resolution 2022-38

\*\*\*\*\*  
Council Action: \_\_\_\_\_ Date: \_\_\_\_\_

**RESOLUTION 2022-38**

**STATE OF MINNESOTA )  
COUNTY OF MARTIN )SS  
CITY OF FAIRMONT )**

**SETTING FEE FOR THE LICENSE TO SELL CERTAIN EDIBLE  
AND BEVERAGE PRODUCTS INFUSED WITH  
TETRAHYDROCANNABINOL (THC) PRODUCTS**

**WHEREAS**, on October 10, 2022, the Fairmont City Council adopted Ordinance 2022-13, an ordinance regulating the sale of certain edible and beverage products infused with Tetrahydrocannabinol (THC) products, and;

**WHEREAS**, city staff is recommending that the license fee to sell certain edible and beverage products infused with Tetrahydrocannabinol (THC) products should be \$200.00 per year, and;

**WHEREAS**, the Fairmont City Council has determined that the charge for this license should be \$200.00.

**NOW THEREFORE**, it is hereby resolved that the license fee to sell certain edible and beverage products infused with Tetrahydrocannabinol (THC) products will be \$200.00 per year.

**PASSED, APPROVED AND ADOPTED**, this 10<sup>th</sup> day of October 2022.

\_\_\_\_\_  
Deborah J. Foster, Mayor

ATTEST:

\_\_\_\_\_  
Patricia J. Monsen, City Clerk



Fairmont City Council  
October 10, 2022

Agenda Item: 9.4

**From:** Paul Hoyer, Finance Director  
**To:** Mayor and City Council

**Subject:** Liability Insurance

**Policy/Action Requested:** To confirm that the City of Fairmont does not waive the monetary limits on municipal tort liability established by Minnesota Statutes 466.04.

**Vote Required:**  Simple Majority       Roll Call

**Recommendation:** To not waive the monetary limits on municipal tort liability.

**Overview:** Council is annually required to determine whether or not they wish to waive the monetary limits on municipal tort liability established by Minnesota Statutes 466.04. The City has historically opted to NOT waive these limits.

**Budget Impact:** N/A

**Attachments:**

\*\*\*\*\*  
Council Action: \_\_\_\_\_ Date: \_\_\_\_\_

## LIABILITY COVERAGE – WAIVER FORM

**Members who obtain liability coverage through the League of Minnesota Cities Insurance Trust (LMCIT) must complete and return this form to LMCIT before the member’s effective date of coverage. Return completed form to your underwriter or email to [pstech@lmc.org](mailto:pstech@lmc.org).**

*The decision to waive or not waive the statutory tort limits must be made annually by the member’s governing body, in consultation with its attorney if necessary.*

Members who obtain liability coverage from LMCIT must decide whether to waive the statutory tort liability limits to the extent of the coverage purchased. The decision has the following effects:

- *If the member does not waive the statutory tort limits*, an individual claimant could recover no more than \$500,000 on any claim to which the statutory tort limits apply. The total all claimants could recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. These statutory tort limits would apply regardless of whether the member purchases the optional LMCIT excess liability coverage.
- *If the member waives the statutory tort limits and does not purchase excess liability coverage*, a single claimant could recover up to \$2,000,000 for a single occurrence (under the waive option, the tort cap liability limits are only waived to the extent of the member’s liability coverage limits, and the LMCIT per occurrence limit is \$2,000,000). The total all claimants could recover for a single occurrence to which the statutory tort limits apply would also be limited to \$2,000,000, regardless of the number of claimants.
- *If the member waives the statutory tort limits and purchases excess liability coverage*, a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total all claimants could recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

Claims to which the statutory municipal tort limits do not apply are not affected by this decision.



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LMCIT Member Name:

\_\_\_\_\_

*Check one:*

The member **DOES NOT WAIVE** the monetary limits on municipal tort liability established by Minn. Stat. § 466.04.

The member **WAIVES** the monetary limits on municipal tort liability established by Minn. Stat. § 466.04, to the extent of the limits of the liability coverage obtained from LMCIT.

Date of member's governing body meeting: \_\_\_\_\_

Signature: \_\_\_\_\_ Position: \_\_\_\_\_



Fairmont City Council  
October 10, 2022

Agenda Item: 9.5

**From:** Paul Hoye, Finance Director  
**To:** Mayor and City Council

**Subject:** Travel Expense and Reimbursement Policy

**Policy/Action Requested:** Motion to approve the Travel Expense and Reimbursement Policy.

**Vote Required:**  Simple Majority  Roll Call

**Recommendation:** Approve the Travel Expense and Reimbursement Policy.

**Overview:**

Staff is recommending changes to our existing Travel Expense and Reimbursement policy found in our current Employee Handbook. The changes that are being proposed offer clarification on when travel is appropriate, and what is and is not allowed when traveling for business. The main difference between the existing policy and what is being proposed, is that the proposed policy established a per diem for meal reimbursements rather than the current policy of reimbursing employees based upon receipts. This change will limit the amount for meal reimbursements based upon the US General Services Administration rate for the area in which the travel occurs.

If approved, the proposed policy will replace the language in the Employee Handbook section D.7.

**Budget Impact:** NA

**Attachments:**

1. Proposed Travel Expense and Reimbursement Policy
2. Existing Travel Expense Policy – Employee Handbook, Section D.7

\*\*\*\*\*  
Council Action: \_\_\_\_\_ Date: \_\_\_\_\_

## **7. Travel Expense and Reimbursement**

This policy establishes guidelines and procedures for the payment and reimbursement of travel and other expenses incurred by employees and officials in the conduct of approved City business. Travel may be approved for items such as meetings, workshops, continuing education, conferences, training/professional development, and license/certification maintenance for existing employees. All travel time for non-exempt employees will be paid in accordance with State and Federal regulations or collective bargaining agreements.

### **Authorization**

An authorization to travel is necessary for all City employees traveling beyond the Fairmont area (Martin County) to attend meetings, conferences and workshops relating to City business. Plans must be made allowing enough time in advance of the travel date to receive the necessary approval and make necessary travel arrangements. Failure to obtain approval for the travel in advance will result in expenses not being authorized unless exigent circumstances existed that made it impossible to obtain prior approval. A "Travel Request Authorization" form must be completed as accurately as possible and approved as follows:

1. Submit the completed "Travel Request Authorization Form" to the immediate supervisor for review and approval.
2. The supervisor will route the form through the management chain to the City Administrator for review and approval.

### **Reimbursement guidelines**

All Travel purchases should be made with a City issued purchasing card, if available. All reimbursable travel expenses and City business related expenses must be itemized on an Expense Report and submitted to the employee's Supervisor for approval within ten (10) working days of returning from travel. Itemized receipts must be provided for all expense reimbursements, except mileage and meals. A copy of the approved Travel Request Authorization form needs to be included with the Expense Report for travel related expenses.

An employee required to be away from home overnight or out of town for City business purposes will be reimbursed for necessary lodging, meals, and transportation expenses incurred based on the travel and expense reimbursement schedule.

## **Reimbursable Expenses**

### **Lodging:**

The City will pay for the cost of a single room or the next larger size if a single room is not available. Lodging should be chosen based on convenience and proximity to the reason for travel. Lodging should be comparable to other facilities in the area. Lodging should be sought at the government or conference rate.

### **Registration Fees:**

To be reimbursed, a completed registration form and website link to conference brochure showing schedule of sessions offered and meals provided must be submitted along with the approved Travel Request Authorization.

### **Transportation:**

Ground transportation such as buses, light rail, taxis and ride sharing services will be reimbursed provided it is the most economical and efficient mode of ground transportation. If a rental car is needed, the lowest cost option must be used.

### **Air Travel:**

The City will reimburse for the actual cost of a coach class airline ticket and one bag (if not included in the price of the ticket). Any credits towards free or reduced-rate airline tickets or other benefits received by an employee because of air travel paid for with City funds, shall, if possible, be transferred to the City or used by the employee for subsequent City travel. All such credits and other benefits must be reported to the employee's supervisor within ninety (90) days after they are earned or received.

### **Mileage:**

A City owned vehicle shall be used for transportation if available. The use of a personal vehicle for City purposes will be compensated at the rate authorized by the Internal Revenue Service on January 1<sup>st</sup> of each calendar year. Mileage will be reimbursed to and from conferences and the travel destination. Mileage will not be reimbursed in or around the destination.

### **Meals:**

Reimbursement will be considered for meal expenses of employees within the City of Fairmont when accompanied by a written explanation describing the expenditure and necessary City business purpose.

A per diem for meals while on approved travel will be provided at the US General Services Administration (GSA) rate for the area in which the travel occurs. GSA rates can be found at the following website: <https://www.gsa.gov/travel/plan-book/per-diem-rates>

On the day of travel, if an employee is required to leave before 6:00 AM, they will be eligible for a breakfast per diem and if they return after 7:30 PM, they will be eligible for a dinner per diem. No per diem will be provided for meals that are included with conference registration, meeting participation, cost of lodging, or are otherwise included in costs of the travel.

**Miscellaneous:**

Reimbursement may include parking expenses, and gas for city or rental vehicles. The city will not reimburse for alcoholic beverages, personal telephone calls, costs associated with the attendance of a family member, rental of luxury vehicles, meal expenses included in the cost of registration, movies in hotel room, hotel fees for items such as health club and dry-cleaning services or recreational expenses such as golf.

Performance evaluations shall be prepared by the employee's immediate supervisor and submitted to the Department Head for review and approval prior meeting with the employee.

## **7. Travel Expense**

An authorization to travel is necessary for all City employees traveling beyond the Fairmont area (Martin County) to attend meetings, conferences and workshops relating to City business. Plans must be made allowing enough time in advance of the travel date to receive the necessary approval and make necessary travel arrangements. A "Travel Request Authorization" form must be completed as accurately as possible and approved as follows:

1. Submit the completed "Travel Request Authorization Form" to the Department Head for review and approval.
2. For Department Head, the "Travel Request Authorization Form" is then routed to the City Administrator.

### **Travel and Expense Reimbursement**

Employees are eligible for reimbursement of previously authorized expenses incurred for City business purposes. The following procedure must be followed to receive the reimbursement:

1. An Employee Expense Report claim form must be completed for any City business related expenses incurred by an employee.
2. An employee required to be away from home overnight or out of town for City business purposes will be reimbursed for the necessary lodging, meals and transportation expenses incurred based on the travel and expense reimbursement schedule.
3. Additional reimbursement will be made to the employee for meeting registration fees, parking and other necessary miscellaneous expenses incurred.
4. Personal transportation provided for City purposes will be compensated at the rate authorized by the Internal Revenue Service on January 1<sup>st</sup> of each calendar year.
5. Reimbursement will be considered for meal expenses of employees within the City of Fairmont when accompanied by a written explanation describing the expenditure and necessary City business purpose.
6. Itemized receipts for expenditures are required.
7. Completed Employee Expense Report claim forms shall be submitted to the employee's Department Head for approval and forwarded to the Finance Director with a copy of the "Travel Request Authorization" attached on a monthly basis. Advance payment of costs may be considered with proper documentation.
8. The approval required by the Department Head and Finance Director is subject to review by the City Administrator.