

EMPLOYMENT AGREEMENT

THIS AGREEMENT, (“Agreement”), is made and entered into between **Grand Rapids Public Utilities Commission** (“Employer”) of 500 SE 4th Street, Grand Rapids, Minnesota 55744, and **Julie Kennedy** of [REDACTED] (“Employee”).

WHEREAS, Employer operates a municipal utility and desires to employ Employee as the General Manager; and

WHEREAS, Employee is qualified to serve as such and desires to serve as such under the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

ARTICLE I. EMPLOYMENT

Section 1.1. Employment Relationship.

Employee shall be employed by Employer as the General Manager. Employee shall make substantial progress toward meeting the goals mutually agreed upon in writing no later than January 31 of each year, together with such other new or changed goals as may be assigned from time to time by Employer (together, the “Goals”).

Employee agrees to work to meet the Goals to the best of Employee’s ability, experience, and talents, and to the reasonable satisfaction of Employer. Employee agrees that all of Employee’s professional time, attention, knowledge, and skills shall be devoted solely and exclusively to the business of Employer.

At any time, Employee’s employment with Employer may be terminated as specified in Section 1.3.

Section 1.2. Term of Employment.

The employment of Employee by Employer under this Agreement shall commence as of January 1, 2021, and shall continue until December 31, 2023, or until terminated as specified in Section 1.3. If the parties would like to continue the employment relationship after December 31, 2023, they will negotiate a successor agreement. Until a successor agreement is reached, the terms of this Agreement will remain in full force and effect.

Section 1.3. Termination of Employment.

Employer may terminate Employee’s employment and this Agreement for any reason other than Good Cause upon ninety (90) days’ written notice to Employee. In the event of such

termination, Employee's compensation and benefits shall cease 180 days after notice is given. Whether Employee will be required or permitted to report to work for all or part of the notice period will be determined by Employer in its sole and complete discretion.

Employer may terminate Employee's employment and this Agreement at any time for Good Cause. The term "Good Cause" shall include but shall not be limited to the following: Employee failing or refusing to comply with the reasonable policies and standards of Employer (including but not limited to policies prohibiting disclosure of confidential Employer information, performance of work while under the influence of alcohol or illegal drugs, discrimination or harassment, and all other Employer policies); failing or refusing to faithfully and diligently perform the provisions of this Agreement; failing or refusing to follow the reasonable directives of Employer; personal dishonesty or breach of fiduciary duty; fraud, theft, or arrest for or conviction of a violation of law, rule, or regulation (other than minor traffic violations or similar minor offenses); a negative performance review; the permanent and total disability of Employee; and the death of Employee. In the event of such termination, Employee's compensation and benefits shall cease immediately.

All Employer information and equipment is the property of Employer. Upon termination of Employee's employment by either party for any reason or for no reason, Employee shall immediately surrender to Employer all Employer information and equipment, including but not limited to the following: documents; records; files; correspondence; credit cards; customer information; personnel information; manuals; keys; computers; computer discs; and software.

ARTICLE II. EMPLOYEE COMPENSATION, BENEFITS, AND EDUCATION

Section 2.1. Employee Compensation.

Employer shall pay Employee an annual salary of One Hundred Twenty Eight Thousand and no/100s Dollars (\$128,000.00) for Employee's work as General Manager. Employee's salary shall be payable according to the usual and customary payroll practices of Employer and subject to withholding for income and payroll taxes. Employee's compensation shall not be considered for an annual increase in connection with other exempt employee's adjusted remuneration.

In addition to the Employee's base salary, Employer agrees to pay Employee a vehicle allowance in the amount of Three Thousand Six Hundred and no/100s Dollars (\$3,600.00) and merit payment in an amount not to exceed a set amount of not greater than 3% of her base pay (\$3,840). The amount of the merit pay will be based on the evaluation of the Employee by the Employer, using the performance appraisal form in Exhibit 1. The percentage of the rating score shall be multiplied by the possible yearly bonus amount to calculate the final merit payment. The merit payment will be paid in a lump sum within thirty (30) days after completion of the evaluation. Copies of the completed performance appraisal will be kept in the Employee's personnel file.

Employer shall reimburse Employee for reasonable expenses necessarily incurred by Employee in the furtherance of Employer's business. This reimbursement shall be contingent upon Employee submitting appropriate documentation within sixty (60) days of incurring the expense.

Section 2.2. Employee Benefits.

Employer shall provide to Employee the benefits described on **Exhibit 2**, attached. Employer shall also provide the benefits mandated by law (e.g., workers' compensation coverage, unemployment compensation coverage, Employer Medicare and Social Security contributions, etc.).

Section 2.3. Employee Education/Professional Development.

Employer shall continue to budget and pay the travel and subsistence of Employee for professional and official travel, meetings and occasions adequate to continue the professional development of Employee. Employee shall use good judgement in Employee's outside activities so Employee will not neglect Employee's primary duties to the Employer.

ARTICLE III. DISPUTE RESOLUTION

Section 3.1. Arbitration.

The parties agree that any dispute or controversy arising under this Agreement or relating to its formation, interpretation, performance, breach, or termination shall be submitted to arbitration, not litigation, for binding resolution. The arbitration proceedings shall be governed by the following:

- (a) All arbitration hearings shall be held in Grand Rapids, Minnesota.
- (b) Any and all arbitration proceedings and any arbitration decision -- unless it is necessary that court proceedings on the decision be undertaken -- shall be confidential, to the extent permitted by state statute. Either party shall have the right to specifically enforce any arbitration award by appropriate proceedings under Minnesota law.
- (c) The dispute or controversy shall be submitted to one (1) neutral arbitrator, selected from the list of neutrals maintained by the Minnesota State Court system, as existing at the time arbitration is invoked. Unless otherwise ordered by the arbitrator, the cost of the arbitrator shall be shared equally by the parties.
- (d) The arbitrator shall have the right to award the prevailing party costs and expenses incurred in connection with the arbitration proceedings, including reasonable attorneys' fees, expenses, and interest.
- (e) The parties hereby waive any legal or equitable rights to avoid arbitration or to seek a remedy at law or equity as an alternative to arbitration.
- (f) So long as not in conflict with the above, the Minnesota version of the Uniform Arbitration Act (currently codified in Minnesota Statutes Sections 572.08 et seq.) as

existing at the time arbitration is invoked, shall govern the arbitration proceedings and award.

(g) Any arbitration proceeding hereunder must be demanded in writing within one (1) year after the claim accrued. Failure to demand an arbitration proceeding within such period shall constitute an absolute bar to the institution of any proceedings with respect to such claim, and a waiver thereof.

ARTICLE IV. MISCELLANEOUS

Section 4.1. Binding Effect.

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, heirs, and legal representatives, but neither this Agreement nor any of the rights or obligations hereunder shall be assignable or delegable by Employee.

Section 4.2. Governing Law.

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

Section 4.3. Severability.

If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws, such provision shall be fully severable, and this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never constituted a part hereof, and the remaining provisions shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance therefrom. If any provision of this Agreement is held to be illegal, invalid or unenforceable, the parties may elect to negotiate a replacement provision.

Section 4.4. Entire Agreement.

This Agreement constitutes the sole and complete agreement between the parties, superseding any and all other agreements, express or implied, between the parties, and no verbal or other statements, inducements, or representations have been made or relied upon by either party.

Section 4.5. Headings.

The headings herein are for convenience of reference only and do not define, limit, or construe the contents.

Section 4.6. Modification and Waiver.

No purported amendment, modification, or waiver of any provision hereof shall be binding unless set forth in a written document signed by all parties (in the case of amendments or

modifications) or by the party to be charged thereby (in the case of waivers). Any waiver shall be limited to the circumstance or event specifically referenced in the written waiver document and shall not be deemed a waiver of any other term hereof or of the same circumstance or event upon any recurrence thereof.

Section 4.7. Force Majeure.

Neither party shall be liable to the other for failure to perform its obligations under this Agreement when prevented from doing so by strike, lockout, breakdown, accident, order or regulations of or by any governmental authority, or because of war or other emergency, or for any other cause beyond such party's reasonable control.

Section 4.8. Notice.

Any notice or other communication required or permitted under this Agreement shall be in writing and shall be deemed to have been given when received, if delivered by hand or overnight courier, and when deposited, if placed in the mails for delivery by certified mail, postage prepaid, return receipt requested, and addressed to the parties at their addresses as set forth above or to such other address as may be provided from one party to the other by notice hereunder.

Section 4.9. Draftsmanship.

Both parties contributed to the drafting of this Agreement. No provision of this Agreement shall be construed against either party on grounds of draftsmanship.

Section 4.11. Acknowledgment.

Employee acknowledges that Employee has read this Agreement, and fully understands the terms and conditions of this Agreement. Employee acknowledges that Employee has been given the opportunity to consult with counsel regarding this Agreement. Employee acknowledges that Employee is signing this Agreement freely and voluntarily.

Dated this 16TH day of DECEMBER, 2020.

**GRAND RAPIDS PUBLIC UTILITIES
COMMISSION**

By: Thomas G. Stanley
Thomas G. Stanley
Its: President

Attest to:

By: Kathy Kooda
Kathy Kooda
Its: Secretary

Dated this 16TH day of DECEMBER, 2020.

Julie Kennedy
JULIE KENNEDY

Performance Review Form - Leaders

Employee Name: _____ Date: _____

Job Title: _____ Job Code: _____

Division/Department: _____

Manager Name (Reportsto): _____

Review Type:

- Self-assessment
- Annual
- Interim / Off-cycle
- Probationary
- Transfer

Performance reviews are a key component of employee development. This evaluation is intended to be a fair and balanced assessment of the employee's performance since the last review. Meaningful two-way feedback provides the employee and the manager with an understanding of how past performance combined with a review of expectations creates an environment for career growth and continuous improvement.

Goals & Key Responsibilities

This section provides employees and managers with the ability to rate and comment on current year performance goals and/or key job responsibilities. **All five goals & key responsibilities must be rated in order for this section to provide an accurate score.**

1
Not Meeting
Expectations

2
Needs Some
Improvement

3
Fully Meets
Expectations

4
Fully Meets & Often
Exceeds Expectations

5
Consistently Exceeds
Expectations

Score: _____ 1.

Score: _____ 2.

Score: _____ 3.

Score: _____ 4.

Score: _____ 5.

Average Score: 0.0

Core Competencies

1
Not Meeting
Expectations

2
Needs Some
Improvement

3
Fully Meets
Expectations

4
Fully Meets & Often
Exceeds Expectations

5
Consistently Exceeds
Expectations

Personal Accountability

Commitment to Quality – Takes pride in work, strives for excellence. Takes responsibility for performance and fixes mistakes. Continually looks to improve the quality/quantity of work.

Safety Consciousness – Contributes to a safe working environment; performs duties in a clean and safe manner. Brings safety concerns to appropriate parties; takes initiative to resolve when possible.

Attendance and Punctuality – Fulfills work and time requirements. Keeps unscheduled absences to a minimum. Plans for coverage of responsibilities where appropriate.

Reliability/Dependability – Meets task deadlines and work commitments. Fulfills work obligations in a timely and satisfactory manner. Takes responsibility for personal actions and performance.

Appearance – Dresses appropriately. Avoids wearing strong fragrances or other strong odors (e.g., from smoking). Keeps workplace neat, clean and organized.

Score: _____

Supporting Comments and Examples:

Professionalism

Self Awareness – Demonstrates continuous professionalism, respect, and workplace civility. Mindful of actions; topic, tone, volume, and body language. Avoids gossip.

Working with Others – Approachable, inclusive, and respectful. Exhibits teamwork, takes initiative to help. Courteous and cooperative. Respects diversity and appreciates differences.

Relationship to Supervisor – Responds and acts cooperatively; works to maintain positive relationships with supervisor/manager. Accepts responsibility for own actions.

Gives and Receives Feedback – Provides constructive feedback to colleagues. Mindful of both verbal and body language when giving feedback. Receptive to feedback from others; accepts feedback without defensiveness.

Role Modeling – Conducts self in fair and trustworthy manner. Upholds professional and ethical standards. Demonstrates departmental and organizational values including Integrity, Compassion, Accountability, Respect, and Excellence.

Score: _____

Supporting Comments and Examples:

Core Competencies

1
Not Meeting
Expectations

2
Needs Some
Improvement

3
Fully Meets
Expectations

4
Fully Meets & Often
Exceeds Expectations

5
Consistently Exceeds
Expectations

Functional Expertise

Job Knowledge – Clearly demonstrates functional expertise as it relates to the job. Strives for excellence. Asks relevant questions when uncertain. Shares information and knowledge with others.

Learning Agility – Keeps abreast of new developments and enhancements to systems, procedures and products. Values learning; seeks out new learning and development opportunities. Completes learning assignments in a timely manner.

Problem Solving & Decision Making – Uses good judgment when evaluating a problem. Analyzes risks and identifies consequences. Makes appropriate decisions in a timely manner. Uses problem solving strategies to work through roadblocks and deliver timely results in a manner that is consistent with organizational values.

Policy Awareness – Understands and adheres to departmental and organizational standards, policies and processes as appropriate. Asks relevant questions when uncertain. Continuously works to maintain standards.

Use of Resources – Works to reduce waste by identifying ways to be more efficient with time, money, or processes. Where appropriate is aware of equipment and supply costs; understands appropriate use of resources. Demonstrates a sense of organizational stewardship.

Score: _____

Supporting Comments and Examples:

Service Excellence

Treatment Towards Others – Listens carefully, expresses compassion and empathy where appropriate. Mindful of the perspective and needs of others (e.g. colleagues, patients, students, families and others).

Service Orientation – Embraces organization and department mission. Works to understand goals and objectives of the unit or the department.

Communication – Communicates ideas and messages clearly and concisely. Actively listens, seeks to understand others. Answers questions clearly and asks clarifying questions when needed. Keeps others informed when deadlines are challenged.

Productivity – Works to deliver an expected volume of work; seeks operating efficiencies without sacrificing quality. Works to stay organized. Uses technology as needed/where appropriate.

Responds to Change – Adapts to changing priorities. Handles unexpected situations and does so in a calm and positive manner. Where appropriate, questions and recommends alternatives to new processes and procedures.

Score: _____

Supporting Comments and Examples:

Leadership Competencies

1
Not Meeting
Expectations

2
Needs Some
Improvement

3
Fully Meets
Expectations

4
Fully Meets & Often
Exceeds Expectations

5
Consistently Exceeds
Expectations

Effective Communication - Writes and speaks clearly. Articulates ideas and instructions in a clear and concise manner. Encourages dialogue and candor; makes it safe for others to voice their opinion. Active listener; takes the time to consider alternative points of view. Keeps others informed; conveys important information in a timely and efficient manner.
Score: _____

Partnership & Team Building - Values, respects and is open to others' point of view. Relates well to people at all levels of the organization. Actively works to build a team. Empowers employees to take action. Supports team decisions both publicly and privately. Manages conflict; builds common ground, focuses on the positive and seeks constructive outcomes. Demonstrates care and concern for all team members and those we serve.
Score: _____

Organizational Effectiveness - Takes initiative to get things done. Actively sets priorities. Runs effective meetings; starts/stops on time, maintains focus on topic. Analyzes short-term and long-term risks; identifies pros and cons; evaluates options and chooses effective solutions. Makes critical decisions in a timely manner.
Score: _____

Performance Management - Tracks, monitors, and documents employee performance. Actively encourages goal setting. Provides timely, effective, and constructive feedback. Holds team members accountable for their performance and results. Delegates tasks appropriately. Creates an environment where employees and others feel valued and appreciated. Routinely recognizes team members for their contributions formally and/or informally.
Score: _____

Leading Change & Innovation - Champions change and innovation. Readily adapts to change, makes adjustments when needed. Helps others overcome resistance to change. Stays calm in the face of great change. Actively encourages and supports new ideas. Leads process improvement, encourages efficiency, works to build value for the organization. Helps develop innovative solutions.
Score: _____

Stakeholder Focus - Maintains positive and collaborative connection to key stakeholders. Understands needs, goals and objectives of all constituent groups. Works to create, monitor, and exceed key metrics and targets in support of key groups.
Score: _____

Strategic Thinking & Planning - Ability to see the big picture by thinking conceptually, imaginatively, and systematically. Visionary and forward thinking; able to see long-term opportunities. Demonstrates the ability to develop effective plans in line with organizational goals. Actively sets priorities. Works to focus energy and resources toward common organizational objectives.
Score: _____

Industry / Regulatory Compliance Knowledge - Exhibits knowledge of, and ensures compliance with, federal and state regulatory requirements (for example: Affirmative Action, FLSA, NY Wage and Hour Laws, HIPAA, Joint Commission, non-discrimination laws, FERPA, etc.). Initiates appropriate follow-up when concerns are identified. Demonstrates increasing knowledge of the organization, industry and marketplace. Leverages industry knowledge and business acumen to make appropriate decisions. Keeps abreast of new developments with organizational systems, procedures, and policies.
Score: _____

Average Score: 0 . 0

Supporting Comments and Examples:

Performance Goal Planning

The purpose of this section is to create Performance Goals for the next performance review cycle. These new performance goals will be rated during the next annual performance review cycle. The creation of 3-5 performance goals is highly recommended.

Goal #1

Goal #2

Goal #3

Goal #4

Goal #5

Summary Section

Section	Section Weight	Section Score	Weighted Score
Goals & Key Responsibilities	35%	0.0	0.0
Core Competencies	35%	0.0	0.0
Leadership Competencies	30%	0.0	0.0
Overall Performance Review Score			0.0

0.0 – 1.4 Not Meeting Expectations	1.5 – 2.4 Needs Some Improvement	2.5 – 3.4 Fully Meets Expectations	3.5 – 4.4 Fully Meets and Often Exceeds Expectations	4.5 – 5.0 Consistently Exceeds Expectations
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Final Comments – Manager Writing Review:

Final Comments – Employee Being Reviewed:

Commissioner Signature: _____ Date: _____

Print Name: _____

Employee Signature: _____ Date: _____

Print Name: _____

EXHIBIT 2

BENEFITS

Employee shall receive benefits in accordance with the GRPU Benefits Summary for each year with the exception of the Paid Time Off (PTO). Employee's PTO accrual rate shall be 35 days per year.

GRPUC 2021 Benefits Summary*

Paid Time Off (PTO) and Extended Illness Bank (EIB):

- Accrual: 13 days the first year, 18 days years 2 through 4, 23 days years 5 through 7, 1 additional day per year for years 8 through 17, 34 days years 18 through 19, 35 days year 20 and thereafter.
- Excess hours of PTO as of employee's anniversary date converted to the employee's EIB account. Excess in the EIB account converted, after meeting certain conditions, as a payment to the employee's Post-Employment Health Care Savings Account.
- EIB account paid into a Post-Employment Health Care Savings Plan upon retirement, total disability, or resignation after twenty (20) years of service.

Short-term Disability Insurance: 60% of earnings benefit level, up to the ninety (90) day elimination period for long-term disability following an elimination period of not more than twenty-one (21) calendar days for non-industrial injury or sickness. Employees shall be required to use eligible PTO and/or EIB to bridge the elimination period.

Long-term Disability Insurance: 90 day waiting period / 60% of earnings benefit level.

Holidays: 11 paid days

Bereavement Leave: 3 days/Immediate Family, 1 day/Other Relative

Group Insurance Coverages:

- **Medical-** Blue Cross Blue Shield high deductible under the Northeast Service Cooperative. Effective January 1, 2021, the Employer shall pay one hundred percent (100%) of the monthly premium for single coverage and employees shall pay two hundred dollars (\$200.00) toward the monthly premium for family coverage. See plan summary for details.

In-Network Deductible:		In-Network Out-of-Pocket Maximum:
Family Policy:	\$ 7,000.00	\$7,000.00 (embedded single limits)
Single Policy:	\$ 3,500.00	\$3,500.00
Out-of-Network Deductible:		Out-of-Network Out-of-Pocket Maximum:
Family Policy:	\$14,000.00	\$28,000.00 (embedded single limits)
Single Policy:	\$ 7,000.00	\$14,000.00

In addition, the Employer will contribute to each employee's Health Savings Account according to the following schedule:

Contract Year	Single	Family
2021	\$ 2,400	\$ 5,000
2022	\$ 2,400	\$ 5,200
2023	\$ 2,400	\$ 5,400

- **Dental-**Delta Dental Insurance Comprehensive Enhanced Plan with Orthodontic Coverage (100% diagnostic/preventative, 80% basic, 60% prosthetic, 50% orthodontics, annual max. \$1,000/person, ortho. lifetime max.\$1,000/person):

Single Policy: \$42.00 monthly premium-employer pays \$39.50/mo.; employee pays \$2.50/mo.

Family Policy: \$110.00 monthly premium-employer pays \$81.00/mo.; employee pays \$29.00/mo.

Life-Employer paid policy based on employee's annual salary, in \$5,000 increments (minimum of \$15,000 to maximum of \$50,000). Additional voluntary, employee paid life insurance available.

Other:

- Public Employees Retirement Association retirement plan; 2021 mandatory contributions: Employer: 7.50% of gross wages, Employee: 6.50% of gross wages.
- MN State Deferred Compensation Plan-Employer matches voluntary employee contribution to a maximum of 3% of gross wages per pay period, employee may make additional contributions for calendar year up to the annual Internal Revenue Service limitation.
- Flexible Spending Account available through Further.
- Continuing Education and Training: Tuition reimbursement, continuing education and training programs are available.

* Terms and conditions may be applicable before an employee is eligible for the listed benefits. Reference the applicable Labor Agreement and Personnel Policies for specifics.