

**CITY OF GUNNISON COUNCIL AGENDA
MEETING IS HELD AT CITY HALL, 201 W. VIRGINIA AVENUE
GUNNISON, CO, IN THE 2ND FLOOR COUNCIL CHAMBERS**

JUNE 28, 2016 **REGULAR SESSION** **7:00 P.M.**

I. Call Regular Session Meeting to Order:

II. PUBLIC HEARING 7:00 P.M.

Receive Input on Retail Marijuana Store License Application from The Pot Shop LLC, dba The Pot Shop, 905B N. Main Street, Gunnison, CO

III. Consent Agenda:

The listing under "CONSENT AGENDA" is a group of items, which Council has already reviewed, to be acted on with a single motion or vote. This agenda is designed to expedite the handling of limited routine matters by Council. The Mayor will ask if any Councilor or Citizen wishes to have any specific item removed from the Consent Agenda and acted upon individually.

- Minutes of May 24, 2016, Regular Session Meeting
- Minutes of May 25, 2016, Special Session Meeting
- Minutes of May 27, 2016, Special Session Meeting
- Minutes of June 13, 2016, Special Session Meeting
- Minutes of June 14, 2016, Special Session Meeting
- Minutes of June 15, 2016, Special Session Meeting
- Minutes of June 21, 2016, Special Session Meeting
- Action to Accept Amended City Employee Handbook as presented June 7, 2016
- Action to Accept Amended City Standby Policy as presented June 7, 2016
- Action to Accept Amended Disciplinary Guidelines as presented June 7, 2016
- Approval of Amendment to Gunnison Chamber of Commerce MOA
- Direct Staff to Pursue GOCO Grant for Char-Mar Park Upgrade

IV. Pre-Scheduled Citizens: None.

V. Old Business: None

VI. New Business:

- A. Action on The Pot Shop LLC Retail Marijuana Store License Application
- B. Action on High Alpine Brewing Co. Water Line Request
- C. Action on Award of 2016 Slurry Seal Contract to Intermountain Slurry Seal in an Amount Not to Exceed \$150,000 and Action on 80% Labor Waiver
- D. Action to Award 2016 Small Bucket Truck Purchase to Terex in an amount not to Exceed \$101,825

VII. Resolutions and Ordinances:

- A. Resolution No. 7, Series 2016, Employee Hiring/Nepotism
- B. Ordinance No. 7, Series 2016; Re: Amending Municipal Code Section 4.10 Municipal Court, 2nd Reading

VIII. **Executive Session: Pursuant to C.R.S. §24-6-402(4)(e) the purpose of which is for determining positions relative to matters that may be subject of negotiations; developing strategies for negotiations; and instructing negotiators. Not open to the public.**

Following Executive Session and Return to Public Session:

Information for the following agenda items will be available at the June 28th Council meeting.

- Action to Appoint City Manager
- Action on City Manager Employment Contract
- Action to Appoint "Gap" City Manager
- Action on "Gap" City Manager Employment Contract

IX. Reports:

City Attorney Report: Kathleen Fogo

City Manager Report: Mark Achen

City Clerk Report/Acting City Manager: Gail Davidson – Semi-Annual Dept. Report

WSCU Liaison: Absent Until Fall Semester

X. Non-Scheduled Citizens: **At this agenda time, non-scheduled citizens may present issues of City concern to Council. Per Colorado Open Meetings Laws, NO action or Council discussion will be take place until a later date, unless an emergency situation is deemed to exist by the City Attorney. Speaker has time limit of 3 mins.**

XI. City Council Meeting Reports, Discussion, Items for Future Work Sessions

XII Meeting Adjournment

The City Council Meeting agenda is subject to change. The City Manager and City Attorney reports may include administrative items not listed. Regular Meetings and Special Meetings are recorded and action can be taken. Minutes are posted at City Hall and on the City website at www.cityofgunnison-co.gov. Work sessions are recorded, minutes are not produced and formal action cannot be taken. For further information, contact the City Clerk's office at 970-641-8140. **TO COMPLY WITH ADA REGULATIONS, PEOPLE WITH SPECIAL NEEDS ARE REQUESTED TO CONTACT THE CITY CLERK 24 HOURS BEFORE ALL MEETINGS AT 970-641-8140.**

PUBLIC HEARING FORMAT

7:00 P.M., Tuesday, June 28, 2016

On the Merits of a Retail Marijuana Store License Application from The Pot Shop LLC, dba The Pot Shop, 905B N. Main Street in Gunnison, Colorado.

I. Mayor Open Public Hearing

Open Public Hearing and State the time, date, location, and name those in attendance – City Council, City Attorney, City Manager, City Clerk, Finance Director, Police Chief, Community Development Director, and _____.

_____.

II. State Reason for Public Hearing - Mayor

Receive Input on the merits of a Retail Marijuana Store License Application from The Pot Shop LLC dba The Pot Shop, 905BN. Main Street in Gunnison, Colorado.

III. Proof of Publication - City Clerk

IV. City Staff Comments/Recommendation – City Clerk and City Attorney.

V. Applicant Comments:

VI. Public Comment

Ask anyone wishing to comment – pro or con - on the application to step up to the microphone, state their name, and sign the sign-in sheet for the record.

VII. Enter letters, emails or other comments received from the public into the record - City Clerk

VIII. Call for any final comments – when hearing none, Mayor Close the Public Hearing.

**NOTICE OF PUBLIC HEARING
APPLICATION FOR A RETAIL MARIJUANA STORE LICENSE
THE POT SHOP LLC, dba THE POT SHOP**

PURSUANT TO THE MARIJUANA LAWS OF THE STATE OF COLORADO AND THE CITY OF GUNNISON, COLORADO, THE POT SHOP LLC dba THE POT SHOP, 905B NORTH MAIN STREET, GUNNISON, COLORADO, has requested the licensing officials of the City of Gunnison to grant a Retail Marijuana Store License for selling retail marijuana and allowed retail marijuana-infused products in the City of Gunnison.

A Public Hearing on the application will be held in the City Council Chambers, second floor of City Hall, 201 West Virginia Avenue, Gunnison, CO, at 7:00 P.M., Tuesday, June 28, 2016, at which time and place you may give testimony on the application.

Date of Application: May 24, 2016

Petitions or remonstrances may be filed at the City Clerk's Office, City Hall, 201 W. Virginia Avenue, Gunnison, CO, mailed to: City Clerk, P.O. Box 239, Gunnison, CO 81230, or emailed to gail@cityofgunnison-co.gov until 5:00 P.M., Tuesday, June 28, 2016.

By order of Gail A. Davidson, City Clerk

/s/Gail A. Davidson

To: City Council
From: City Clerk Gail A Davidson
Date: June 21, 2016
Re: Retail Marijuana Store License Application
The Pot Shop, LLC dba
The Pot Shop, Gunnison, Colorado

City Staff Report and Recommendations

The City Council of the City of Gunnison, approved and adopted Marijuana Establishment rules and regulations. These are found in the Gunnison Municipal Code (GMC) and the City of Gunnison *Land Development Code (LDC)*. To operate a Marijuana Establishment in the City, a license from both the State of Colorado and the City of Gunnison must be obtained. The City application and licensing regulations are outlined in GMC Section 8.40.

The Pot Shop LLC, dba The Pot Shop, 905B N. Main Street, Gunnison, CO 81230, completed and submitted the required State Marijuana Enforcement Division (MED) and the City of Gunnison Marijuana Establishment License Application forms for a retail marijuana store to be located at 905B N. Main Street, in Gunnison. 100% Principal in the LLC is: Jonathan Billingsley, 130 Tawanka Trail, Gunnison, CO 81230.

The proposed store location property is owned by Bennett Acquisitions LLC, Deven Bennett Principal. The property owner's consent to the submission of the application for a Marijuana Establishment on the premises notarized form was included in the application. The proposed store location is within the allowed zoning district for a retail marijuana store establishment within the City.

The Pot Shop LLC has paid the City-required license and application fees. The State MED submitted their completed forms back to the City within the required seven days of their submission. Once the State Application forms were received, they were forwarded onto the Police, Finance, City Clerk, Public Works, and Community Development Departments, as well as to the City Attorney for review.

A copy of the City of Gunnison Departmental Approvals form is included in the Public Hearing information packet. The results of that review include:

- Clerk's Department: the required complete application was filed including the property owner consent forms. All City-required fees have been paid. The City has received a copy of the conditional State-approved Retail Marijuana Store License.

The Pot Shop
Staff Report -2-

- The Finance Department has issued a City Sales Tax License and has provided sales tax remittance information to the applicant.
- The Police Department has completed local background checks and investigations on the applicant LLC Principal – Jonathan Billingsley.
- The Public Works Department has not identified any compliance issues with the City Utility Codes.
- The Community Development Department has received their internal Marijuana Site Development Application and has reviewed the application for compliance with the provisions of the City of Gunnison *Land Development Code* regarding allowed location, signage, control of marijuana-related odors, hours of operation, and City-adopted building standards. The CD Department has issued their retail marijuana establishment permit with the following conditions:
 - The Marijuana establishment shall comply with all provisions, standards and regulations of the *Land Development Code* and all relevant building, mechanical and fire codes adopted by the City.
 - A mechanical source capture and exhaust system shall be installed and subject to inspection and approval by the Building Official.
 - The licensed retail marijuana establishment premises shall be equipped with a carbon monoxide detector.
 - A minimum of 3 exterior parking spaces with one handicap accessible space shall be dedicated to this retail Marijuana establishment operation.
 - Building occupancy for the licensed retail marijuana establishment shall be subject to final inspection and approval by the Building Official, Fire Marshal and Community Development Director.

City Council set the Public Hearing for 7:00 P.M., Tuesday, June 28, 2016, the premises was posted with the Public Hearing notice poster, and the public hearing notice was published as required in the Gunnison Country Times Newspaper.

City Staff has heard verbal concerns about the proposed location of this Establishment next to a Liquor Licensed Establishment, the Powerstop. City Staff, as well as the applicant, contacted the Colorado State Marijuana Enforcement Division and there is no regulations prohibiting this adjacent location. In addition, verbal concerns have been made concerning the proximity to the church located west of the proposed establishment. Again, there are no State or City prohibitions for this location.

Therefore, based on the review and investigations of the Retail Marijuana Store Establishment license application for compliance with City regulations, City Staff recommends approval of The Pot Shop LLC, dba The Pot Shop, 905B N Main Street in Gunnison, with the stated conditions.

APPLICANT INFORMATION

APPLICANT is applying as a: (please choose ONE):

- Corporation
- Limited Liability Company (LLC)
- Partnership (includes Husband/Wife Partnerships)
- Individual (Sole Proprietor)
- Other (Specify)

APPLICANT NAME: JONATHAN BILLINGSLEY

Individual or Sole Proprietorship:

Applicant Full Legal Name: JONATHAN FLOYD BILLINGSLEY Social Security Number: [REDACTED] DOB: [REDACTED]

Applicant's Physical Address: 130 TAWANKA TRL GUNNISON CO 81230

Applicant's Mailing Address: SAME

Applicant's Home and Cell Phone Numbers: [REDACTED]

Applicant's Current Email Address: CPTSHAKE@NETZERO.NET

What Marijuana License(s) does the Applicant or any member of the LLC, Corporation, Partnership/Association currently hold with the State of Colorado?

- Medical Marijuana Center License #: _____
- Retail Marijuana Establishment License #: _____
- Marijuana Product Manufacturing License #: _____
- Marijuana Testing License #: _____
- Cultivation Center License #: 403R-00337
- Other License #: _____
- None

What Marijuana License(s) does the Applicant hold with the City of Gunnison?

- Type: _____ License #: _____
- Type: _____ License #: _____

Additional Licenses Use Additional Pages

None

OATH OF APPLICANT

I declare under penalty of perjury in the second degree that this application and any required attachments are true, correct and complete to the best of my knowledge. I also acknowledge that it is my responsibility and the responsibility of my agents and employees to comply with the provisions of the Colorado Marijuana Code that will affect my license.

Authorized Signature: [Signature]
 Printed Name and Title: JONATHAN BILLINGSLEY OWNER
 Date: 3/15/16

(This page BELOW to be completed by City Staff)
CITY OF GUNNISON DEPARTMENTAL APPROVALS

Each Department Must Review, Approve, Sign, Check-Off, and Date for Application Approval to be forwarded to City Council for approval.

CITY CLERK'S DEPARTMENT

- Includes payment of application and licensing fees; submission of complete application forms and any other forms as required.

Date approved: 5/2/16 By: [Signature]

COMMUNITY DEVELOPMENT DEPARTMENT

- Compliance with Mechanical, Fire and Technical Codes of the Gunnison Municipal Code
- Compliance with Land Use Requirements as defined in the Gunnison Land Development Code.

Date approved: 6/3/16 By: see attached form

FINANCE DEPARTMENT

- Compliance with sales tax collection and remittance Code requirements

Date approved: 4/28/16 By: [Signature]

POLICE DEPARTMENT

- Successful completion of local background checks and investigations

Date approved: 5/2/16 By: [Signature]

PUBLIC WORKS DEPARTMENT

- Compliance with City Utilities Codes

Date approved: 4-26-16 By: [Signature]

REQUIRED ATTACHMENTS FOR CITY COUNCIL PUBLIC HEARING

Results of local background check by City of Gunnison Police Department.

Approved Site Development Application and/or Conditional Use Permit.

Completed State of Colorado License Application Forms to Application.

Date Application Accepted by City Council: 04/28/16

Date of Public Hearing: 06/28/16

APPLICATION APPROVED: / /

APPLICATION DENIED: / /

Applicants Name: John Billingsley, dba The Pot Shop, LLC

APPROVED WITH CONDITIONS

Applicants Address: 130 Tawanka Trail, Gunnison, CO 81230

June 3, 2016

Establishment Address: 905 N. Main St. Suite B, Gunnison, CO 81230

Compliance	Initial Compliance Criteria and Standards for all Marijuana Establishments
OK	<i>Buffers:</i> Marijuana establishment is not located within 1000 feet of a public school; private or charter school; daycare school, center or home; and mental health facilities. Establishments shall not be located on real property that fronts, abuts or is adjoining to any Residential District zone.
OK	Marijuana establishment complies with the district zone location standards set forth in Table 2-3, Principal Use Table of the <i>Land Development Code</i> .
OK	Marijuana establishment complies with all provisions, standards and regulations of the <i>Land Development Code</i> .
OK	Marijuana establishment is served by city water, wastewater, and electrical utility services and complies with all provisions, standards and regulations of the <i>City of Gunnison Municipal Code</i> , Title 12, Utilities.
CHECKED	<i>State Regulations:</i> Marijuana establishment complies with all applicable requirements of Colorado State Law and <i>Code of Colorado Regulations</i> , Medical Use of Marijuana and Retail Marijuana Code.
OK W/ CONDITIONS	A source capture system capable of removing particulate and odors to achieve levels that do not constitute a nuisance to adjacent occupants, structures and properties has been approved.
OK W/ CONDITIONS	Marijuana establishment complies with International Code Council building and fire codes adopted by the City.
Compliance	Additional Standards for Retail Marijuana and Medical Marijuana Centers
1/ 60 sq ft = 13 max occ	Retail establishments shall be located in buildings that comply with occupancy standards established by the International Code Council codes and adopted by the City.
OK	Retail establishments shall be located on lots in buildings that comply with the regulations in the <i>Land Development Code</i> including, but not limited to, landscaping, buffers, lighting, screening and parking standards.

The Community Development Director finds that initial compliance with Mechanical, Fire and Technical Codes and Land Use Requirements have been met with the following conditions:

Conditions:

1. Said marijuana establishment shall comply with all provisions, standards and regulations of the *Land Development Code* and all relevant building, mechanical and fire codes adopted by the City.
2. The mechanical source capture and exhaust system shall be installed and subject to inspection and approval by the Building Official.
3. The licensed retail marijuana establishment premises shall be equipped with a carbon monoxide detector.
4. A minimum of 3 exterior parking spaces with one handicap accessible space shall be dedicated to this retail marijuana establishment.
5. Building occupancy for the licensed retail marijuana establishment shall be subject to a final inspection and approval by the Building Official, Fire Marshal and Director Community Development.

Colorado Marijuana Licensing Authority
Retail Business License Application

License Types & Fees (See Application Checklist for details on license types and fees.)			
<input checked="" type="checkbox"/> Retail Marijuana Store	<input type="checkbox"/> Tier 1 = 1800 or fewer plants	<input type="checkbox"/> Retail Marijuana Products Manufacturer	
<input type="checkbox"/> Retail Marijuana Cultivation	<input type="checkbox"/> Tier 2 = 1801 – 3600 plants	<input type="checkbox"/> Conversion- Converted from Lic. # _____	
<input type="checkbox"/> Retail Marijuana Test Facility	<input type="checkbox"/> Tier 3 = 3601–6000 plants	<input type="checkbox"/> Retail/Medical Marijuana Combined Use- Combined with Lic. # _____	
	<input type="checkbox"/> Tier 4 = 6001–10200 plants	<input type="checkbox"/> Affiliated Business	
	<input type="checkbox"/> Tier 5 = 10201–13800 plants		
	<input type="checkbox"/> Tier 5+ = _____ plants in excess of 13801		
Applicant's Legal Business Name (Please Print) THE POT SHOP LLC		Marijuana License Number (Assigned by Division)	
Trade Name (DBA) (Provide Trade Name Registration) SAME		Website Address N/A	
Physical Address			
Street Address of Marijuana Business 905 N MAIN ST # B			Business Phone Number 970-209-7567
City GUNNISON	County GUNNISON	State CO	ZIP 81230
Email Address CPT SHAKEY@NETZERO.NET			
Mailing Address (if different from Physical Address)			
Address 130 TAWANKA TRL		City GUNNISON	State CO
		ZIP 81230	
Primary Contact Person for Business JON BILLINGSLEY		Title OWNER	Primary Contact Phone Number 970-209-1500
Primary Contact Address (city, state ZIP) 130 TAWANKA TRL GUNNISON CO 81230		Primary Contact Email jon@potshopllc.com	
Federal Taxpayer ID 47-1167153	Colorado Sales Tax License #	Entity ID number shown on Secretary of State Registration	
Type of Business Structure			
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input type="checkbox"/> Limited Partnership	<input checked="" type="checkbox"/> Limited Liability Company
<input type="checkbox"/> C Corporation	<input type="checkbox"/> S Corporation	<input type="checkbox"/> Publicly Traded Corporation	<input type="checkbox"/> Trust <input type="checkbox"/> Other _____
State of Incorporation or Creation of Business Entity COLORADO			Date 6/18/14
Date of Qualification to Conduct Business in Colorado (Provide Certificate of Good Standing from the Colorado Secretary of State's Office) 6/18/14			
If a Corporation, List all States Where the Corporation is Authorized to Conduct Business CO			
List all Trade Names used by the Business Entity (other than above) N/A			
Attach copies of all articles of incorporation, bylaws, articles of organization, or a true copy of any partnership or trust agreement, including any and all amendments to such.			
If a corporation, attach copies of all annual and bi-annual reports, SEC filings, if any, and all minutes from all corporate meetings for the past 12 months.			

1. Is the applicant (including any of the partners, if a partnership; members or manager if a limited liability company; or officers, stockholders or directors if a corporation) or manager under the age of twenty-one years? Yes No

2. Has the applicant (including any of the partners, if a partnership; members or manager if a limited liability company; or officers, stockholders or directors if a corporation) or manager ever (in Colorado or any other state);
 (a) been denied a privileged license (ie: Liquor, Gaming, Racing and Marijuana)?
 (b) had a privileged license (ie: Liquor, Gaming, Racing and Marijuana) suspended or revoked?
 (c) had interest in another entity that had a privileged (ie: Liquor, Gaming, Racing and Marijuana) license denied, suspended or revoked?
 If you answered yes to 2a, b or c, explain in detail on a separate sheet.

3. Has a Marijuana license ever been issued to the applicant (including any of the partners, if a partnership; members or manager if a limited liability company; or officers, stockholders or directors if a corporation)?
 If yes, identify the name of the business and list any current or former financial interest in said business including any loans to or from a licensee. THE POT SHOP LLC CULTIVATION

4. Does the applicant have legal possession of the premises by virtue of ownership, lease or other arrangement? Attach all documentation showing legal possession. Deed, Title, sale or lease agreements etc.
 Ownership Lease Other (Explain in Detail) _____
 (a) If leased, list name of landlord and tenant, and date of expiration, EXACTLY as they appear on the lease:

Landlord <u>BENNET ACQUISITIONS LLC</u>	Tenant <u>THE POT SHOP LLC</u>	Expires <u>4/30/17</u>
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Attach a diagram of the premises to be licensed and outline or designate the area (including dimensions) which shows the limited access areas, walls, partitions, entrances, exits and what each room shall be utilized for in this business, including security equipment locations. This diagram should be no larger than 8 1/2" X 11". (It does not have to be to scale)

5. Who, besides the owners listed in this application (including persons, firms, partnerships, corporations, limited liability companies, trusts), will loan or give money, inventory, furniture or equipment to or for use in this business; or who will receive money or profits from this business. Attach a separate sheet if necessary. NONE

Name	Date of Birth	FEIN OR SSN	Interest
<u>N/A</u>			

Attach copies of all notes and security instruments, and any written agreement, or details of any oral agreement, by which any person (including partnerships, corporations, limited liability companies, etc.) will share in the profit or gross proceeds of this establishment, and any agreement relating to the business which is contingent or conditional in any way by volume, profit, sales, giving of advice or consultation.

Local Licensing Authority (To be completed by Applicant)

Local Licensing Authority <u>CITY OF GUNNISON</u>	Address <u>P.O. Box 239 GUNNISON CO 81230</u>	
Local Licensing Authority contact name <u>GAIL</u>	Contact Phone <u>970-641-8140</u>	Contact Email <u>GAIL@CITYOFGUNNISON.CO.GOV</u>

6. Has the Applicant filed for a retail marijuana cultivation? If so, list license number(s): 403 R - 00337 Yes No

What City or County? (Fill out a separate and complete application)
SAGUACHE

7. Does the Retail Applicant have evidence of a good and sufficient bond in the amount of \$5,000.00 in accordance with 12-43.4-303 C.R.S. (Include evidence with application)?

Printed Legal Business Name <u>THE POT SHOP LLC</u>	Printed Trade Name (DBA) <u>N/A</u>
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Ownership Structure

List all persons and/or entities with any ownership interest, and all officers and directors, whether they have ownership interest or not. If an entity (corporation, partnership, LLC, etc.) has interest, list all persons associated with such entity, their ownership in the entity, and their effective ownership in the license. List all parent, holding or other intermediary business interest. An Associated Key License Application form must be submitted for all persons in a privately held company or a publicly traded corporation, and all officers and directors.

Name JOHN BILLINGSLEY		Title OWNER		SSN/FEIN [REDACTED]		DOB [REDACTED]		App submitted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Address 130 TAWANKA TRL		City GUNNISON		State CO		ZIP 81230		Phone Number [REDACTED]	
Business Associated with (Parent business or sub-entity) N/A				Own. % Business Associated with 100%		Effective Own. % in Applicant 100%			
Name		Title		SSN/FEIN		DOB		App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Address		City		State		ZIP		Phone Number	
Business Associated with (Parent business or sub-entity)				Own. % Business Associated with		Effective Own. % in Applicant			
Name		Title		SSN/FEIN		DOB		App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Address		City		State		ZIP		Phone Number	
Business Associated with (Parent business or sub-entity)				Own. % Business Associated with		Effective Own. % in Applicant			
Name		Title		SSN/FEIN		DOB		App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Address		City		State		ZIP		Phone Number	
Business Associated with (Parent business or sub-entity)				Own. % Business Associated with		Effective Own. % in Applicant			
Name		Title		SSN/FEIN		DOB		App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Address		City		State		ZIP		Phone Number	
Business Associated with (Parent business or sub-entity)				Own. % Business Associated with		Effective Own. % in Applicant			
Name		Title		SSN/FEIN		DOB		App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Address		City		State		ZIP		Phone Number	
Business Associated with (Parent business or sub-entity)				Own. % Business Associated with		Effective Own. % in Applicant			
Name		Title		SSN/FEIN		DOB		App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Address		City		State		ZIP		Phone Number	
Business Associated with (Parent business or sub-entity)				Own. % Business Associated with		Effective Own. % in Applicant			

Are there any outstanding options and warrants?

Yes No *If YES, attach list of persons with outstanding options and warrants

Are there any other persons, other than those listed in the Ownership Structure, including but not limited to suppliers, lenders and landlords, who will receive, directly or indirectly, any compensation or rents based upon a percentage or share of gross proceeds or income of the Marijuana business?

Yes No *If YES, attach list of persons

Printed Legal Business Name THE POT SHOP LLC	Printed Trade Name (DBA) N/A
1. Has the applicant, the applicant's parent company or any other intermediary business entity ever applied for a Marijuana license in this or any other jurisdiction, foreign or domestic, whether or not the license was ever issued? If YES, provide details on a separate sheet, including jurisdiction, type of license, license number, and dates license held or applied for. SAGUACHE COUNTY RETAIL STORE	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Has the applicant, the applicant's parent company or any other intermediary business entity ever been denied a Marijuana license, withdrawn a Marijuana license or had any disciplinary action taken against any Marijuana license that they have held in this or any other jurisdiction, foreign or domestic? If YES, provide details on a separate sheet, including jurisdiction, type of action, and date of action. RETAIL STORE, SAGUACHE COUNTY	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Financial History	
1. Is the applicant, the applicant's parent company or any other intermediary business entity delinquent in the payment of any judgments or tax liabilities due to any governmental agency anywhere? If YES, provide details on a separate sheet and attach any documents to prove settlement or resolution of the delinquency.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2. Has the applicant, the applicant's parent company or any other intermediary business entity filed a bankruptcy petition in the past 5 years, had such a petition filed against it, or had a receiver, fiscal agent, trustee, reorganization trustee or similar person appointed for it? If YES, provide details on a separate sheet and attach any documents from the bankruptcy court.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3. Is the applicant, the applicant's parent company or any other intermediary business entity currently a party to, or has it ever been a party to, in any capacity, any business trust instrument? If YES, provide details on a separate sheet.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4. Has a complaint, judgment, consent decree, settlement or other disposition related to a violation of federal, state or similar foreign antitrust, trade or security law or regulation ever been filed or entered against the applicant, the applicant's parent company or any other intermediary business entity? If YES, provide details on a separate sheet and attach any documents to prove the settlement of any of these issues. Include any items currently under formal dispute or legal appeal.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
5. Has the applicant, the applicant's parent company or any other intermediary business entity been a party to a lawsuit in the past 5 years, either as a plaintiff or defendant, complainant or respondent, or in any other fashion, in this or any other country? If YES, provide details on a separate sheet and attach any documents to prove the settlement of any of these issues. Include any items currently under formal dispute or legal appeal. [REDACTED]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6. Has the applicant, the applicant's parent company or any other intermediary business entity filed a business tax return in the past two years?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
7. Has the applicant, the applicant's parent company or any other intermediary business entity completed financial statements, either audited or unaudited, in the past two years? If YES, attach all financial statements completed in the past two years.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
8. Has any interest or share in the profits of the sale of Marijuana been pledged or hypothecated as security for a debt or deposited as a security for the performance of an act or to secure the performance of a contract? If YES, provide details on a separate sheet.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
9. Attach a list detailing the operating and investment accounts for this business, including financial institution name, address, telephone number, and account number for each account.	
10. Attach a list detailing each outstanding loan and financial obligation obtained for use in this business, including creditor name, address, phone number, loan number, loan amount, loan terms, date acquired, and date due. N/A	
Person who maintains Applicant's business records SONBILLINGSB	Title OWNER
Address 130 TAWANKA TRC GUNNISON CO 81230	Phone Number [REDACTED]
Person who prepares Applicant's tax returns, government forms & reports HEGEMAN + DRENNOWSKI PC	Title
Address 312 N MAIN ST GUNNISON CO 81230	Phone Number 970-641-6241
Location of financial books and records for Applicant's business 130 TAWANKA TRC GUNNISON CO 81230	

OPERATING AGREEMENT

OF

THE POT SHOP, LLC

A COLORADO LIMITED LIABILITY COMPANY

THIS AGREEMENT is made this 20th day of June, 2014, by Jonathan Billingsley, (the Member), as the sole member of the The Pot Shop, LLC, a Colorado Limited Liability Company (the "Company").

Section 1: Formation of the Company

1.1 *Articles of Organization.* This Company is organized pursuant to the Limited Liability Company Laws of the State of Colorado and pursuant to the Articles of Organization filed with the Secretary of State on June 18, 2014. The rights and obligations of the Company and the Members are provided in the Articles of Organization and this Operating Agreement (Agreement). The word "member" is used interchangeably with the plural "members" throughout this agreement.

1.2 *Conflict Between Articles of Organization and this Agreement.* In the event of any inconsistency between the Articles of Organization and this Agreement, the terms of the Articles of Organization shall govern.

Section 2. Capital Contributions

2.1 *Initial Capital Contributions.* The Capital Contribution to be made by the Members and with which the Company shall begin business are as follows:

Member Name	Contribution	Ownership %
Jonathan Billingsley	Cash and Services	100%

2.2 *Loans.* In lieu of contributing additional capital to meet operating expenses or to finance new investments, the Company may, as determined by the Members, borrow money from any person, including the Members. In the event that a loan agreement is negotiated with the Members, the Members shall be entitled to receive interest at a rate and upon such terms to be determined by the Members and said loan shall be repaid to the Members, with interest, if any, as soon as the affairs of the Company permit. The loan shall be evidenced by a promissory note obligated by the assets of the Company.

Section 3. Accounts; Allocation of Profits and Loss; Distributions

3.1 *Capital Accounting.* A separate accounting shall be maintained for the Members to track capital from cash contributions. The accounting shall initially reflect the cash amounts specified in Section 2.1, if any, or if the Members have merely committed to contribute the cash amount specified in Section 2.1, the Company shall maintain a corresponding subscription receivable on behalf of the Members. If a member fails to contribute the amounts specified in Section 2.1, or if the Member withdraws contributions, the Members' shares of subsequent Company profits shall be credited first to the Company's benefit until that balance created by the initial contribution (or commitments thereto) has been restored, before such profits are credited to the Members. No interest shall be paid on any capital contribution to the Company.

3.2 *Income Accounting.* A separate accounting shall be maintained for the Members to track income. Company profits, losses, gains, deductions and credits shall be charged or credited to the separate income account, unless the Members have no credit balance in the Member's income account, in which event losses shall be charged to the Members' capital account, except as provided in Section 3.1. The profits, losses, gains and deductions and credits of the Company shall be distributed or charged to the Members as provided in Section 3.3. No interest shall be paid on any credit balance in an income account.

3.3 *Allocations to Member.* The profits and gains of the Company shall be allocated and the losses, deductions, and credits of the Company shall be borne entirely by the Members.

Section 4. Rules Relating to the Members

4.1 *General Powers.* Management and the conduct of the business of the Company shall be vested in the Members. Persons or entities doing business with the Company may rely upon the Members' authority to transact all business activities on behalf of the Company, including the following:

4.1.1 Any Member shall execute any instrument or document providing for the acquisition, mortgage, or disposition of the property of the Company.

4.1.2 Any Member may contract debt or liability by the Company, and any instruments or documents required to be executed by the Company may be signed by any Member.

4.1.3 Any Member may delegate or designate an agent to be responsible for the daily and continuing operations of the business affairs of the Company. All decisions affecting the policy and management of the Company, including the control, employment, compensation and discharge of the employees; the employment of contractors and subcontractors; and the control and operation of any Company property, including the improvement, rental, lease, maintenance, and all other matters pertaining to the operation of the property of the business, shall be made by any Member.

4.1.4. Any Member may draw checks upon the accounts of the Company and may make, deliver, accept, or endorse any commercial paper in connection with the business affairs of the Company.

4.2 *Indemnification.* The Members shall be entitled to be indemnified by the Company, to the extent provided in the Colorado Limited Liability Company Act, as amended from time to time, and shall be entitled to the advance of expenses, including attorney's fees, in the defense of or prosecution of any claim against the Members.

Section 5. Books; Fiscal Year; Audits.

The books shall be maintained at the registered office of the Company. The books shall be kept on the basis of accounting selected by the accountant regularly servicing the Company. The fiscal year of the Company shall be the calendar year. The Members may authorize the accountants to make a compilation, review, or audit of the Company at the closing of each fiscal year of the Company.

Section 6. Dissolution

6.1 *Causes of Dissolution.* The Company shall be dissolved upon the occurrence of one of the following events:

6.1.1 At any time upon the decision of any Member; or

6.1.2 Upon the death of a Member.

6.2 *Distribution of Assets.* In the event of the dissolution of the Company, the remaining Members may proceed with reasonable promptness to sell the property owned by the Company and to liquidate the business of the Company or may continue to do business. Upon dissolution, the assets of the Company shall be distributed in the following order:

6.2.1. Any liabilities and liquidating expenses of the Company will first be paid;

6.2.2 The reasonable compensation and expenses of the Members to the liquidate the Company shall be paid; and

6.2.3 The amount then remaining shall then be paid to the Members, or in the event of a Member's Death, the Member's personal representative.

Section 7. Insurance

The Company may contract for life insurance on the life of the Members, in an amount not disproportionate to the value of the Members' interest in the Company. In the event of the death of a Member, insurance proceeds paid to the Company shall be used to purchase the membership interest of a Member from the decedent's representatives or heirs by payment of the insurance proceeds to them within thirty (30) days following receipt of the insurance proceed by the Company.

Section 8. Addition of New Members

A person may be admitted as an additional Member only upon the written consent of a majority of the Members.

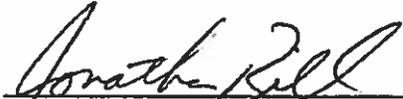
Section 9. Miscellaneous Provisions

9.1 *Governing Law.* This Agreement and its terms are to be construed according to the laws of the State of Colorado.

9.2 *Modification.* The Members may only modify this Agreement in writing.

9.3 *Severability.* The provisions of this Agreement are severable and separate, and if one or more is voidable or void by statute or rule of law, the remaining provisions shall be severed therefrom and shall remain in full force and effect.

IN WITNESS WHEREOF, the Members have signed this Agreement on behalf of the Member and the Company on the day first written above.



Jonathan Billingsley

OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO

CERTIFICATE OF FACT OF GOOD STANDING

I, Wayne W. Williams, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

THE POT SHOP LLC

is a

Limited Liability Company

formed or registered on 06/18/2014 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20141371794 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 03/07/2016 that have been posted, and by documents delivered to this office electronically through 03/08/2016 @ 20:30:15 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 03/08/2016 @ 20:30:15 in accordance with applicable law. This certificate is assigned Confirmation Number 9540724 .



A handwritten signature in cursive script that reads "Wayne W. Williams".

Secretary of State of the State of Colorado

*****End of Certificate*****
Notice: A certificate issued electronically from the Colorado Secretary of State's Web site is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's Web site, <http://www.sos.state.co.us/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our Web site, <http://www.sos.state.co.us/> click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."

OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO

CERTIFICATE OF FACT OF TRADE NAME

I, Wayne W. Williams , as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office, a Statement of Trade Name for:

THE POT SHOP LLC

(Entity ID # 20151517060)

was filed in this office on 08/11/2015 with an effective date of 08/11/2015 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 03/07/2016 that have been posted, and by documents delivered to this office electronically through 03/08/2016 @ 20:27:44 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 03/08/2016 @ 20:27:44 in accordance with applicable law. This certificate is assigned Confirmation Number 9540721 .



A handwritten signature in cursive script that reads "Wayne W. Williams".

Secretary of State of the State of Colorado

*****End of Certificate*****
Notice: A certificate issued electronically from the Colorado Secretary of State's Web site is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's Web site, <http://www.sos.state.co.us/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our Web site, <http://www.sos.state.co.us/> click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."



Colorado Secretary of State
 Date and Time: 06/18/2014 10:13 PM
 ID Number: 20141371794
 Document number: 20141371794
 Amount Paid: \$50.00

Document must be filed electronically.
 Paper documents are not accepted.
 Fees & forms are subject to change.
 For more information or to print copies
 of filed documents, visit www.sos.state.co.us.

ABOVE SPACE FOR OFFICE USE ONLY

Articles of Organization

filed pursuant to § 7-80-203 and § 7-80-204 of the Colorado Revised Statutes (C.R.S.)

1. The domestic entity name of the limited liability company is

THE POT SHOP LLC

(The name of a limited liability company must contain the term or abbreviation "limited liability company", "ltd. liability company", "limited liability co.", "ltd. liability co.", "limited", "l.l.c.", "llc", or "ltd.". See §7-90-601, C.R.S.)

(Caution: The use of certain terms or abbreviations are restricted by law. Read instructions for more information.)

2. The principal office address of the limited liability company's initial principal office is

Street address

130 TAWANKA TR

(Street number and name)

GUNNISON

(City)

(Province – if applicable)

CO

(State)

United States

(Country)

81230-9713

(ZIP/Postal Code)

Mailing address

(leave blank if same as street address)

130 TAWANKA TR

(Street number and name or Post Office Box information)

GUNNISON

(City)

(Province – if applicable)

CO

(State)

United States

(Country)

81230-9713

(ZIP/Postal Code)

3. The registered agent name and registered agent address of the limited liability company's initial registered agent are

Name

(if an individual)

BILLINGSLEY

(Last)

JONATHAN

(First)

(Middle)

(Suffix)

or

(if an entity)

(Caution: Do not provide both an individual and an entity name.)

Street address

130 TAWANKA TR

(Street number and name)

GUNNISON

(City)

(Province – if applicable)

CO

(State)

81230-9713

(ZIP Code)

Mailing address

(leave blank if same as street address)

130 TAWANKA TR

(Street number and name or Post Office Box information)

GUNNISON CO 81230-9713
(City) (State) (ZIP Code)

(The following statement is adopted by marking the box.)

The person appointed as registered agent has consented to being so appointed.

4. The true name and mailing address of the person forming the limited liability company are

Name
(if an individual) BILLINGSLEY JONATHAN F
(Last) (First) (Middle) (Suffix)

or

(if an entity)
(Caution: Do not provide both an individual and an entity name.)

Mailing address 130 TAWANKA TR
(Street number and name or Post Office Box information)

GUNNISON CO 81230-9713
(City) (State) (ZIP/Postal Code)
United States
(Province - if applicable) (Country)

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

The limited liability company has one or more additional persons forming the limited liability company and the name and mailing address of each such person are stated in an attachment.

5. The management of the limited liability company is vested in
(Mark the applicable box.)

one or more managers.

or

the members.

6. (The following statement is adopted by marking the box.)

There is at least one member of the limited liability company.

7. (If the following statement applies, adopt the statement by marking the box and include an attachment.)

This document contains additional information as provided by law.

8. (Caution: Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.)

(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)

The delayed effective date and, if applicable, time of this document is/are _____
(mm/dd/yyyy hour:minute am/pm)

Notice:

Causing this document to be delivered to the Secretary of State for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes.

This perjury notice applies to each individual who causes this document to be delivered to the Secretary of State, whether or not such individual is named in the document as one who has caused it to be delivered.

9. The true name and mailing address of the individual causing the document to be delivered for filing are

<u>BILLINGSLEY</u>	<u>JONATHAN</u>		
<i>(Last)</i>	<i>(First)</i>	<i>(Middle)</i>	<i>(Suffix)</i>
<u>130 TAWANKA TR</u>			
<i>(Street number and name or Post Office Box information)</i>			
<hr/>			
<u>GUNNISON</u>	<u>CO</u>	<u>81230-9713</u>	
<i>(City)</i>	<i>(State)</i>	<i>(ZIP/Postal Code)</i>	
<u>United States</u>			
<i>(Province – if applicable)</i>		<i>(Country)</i>	

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

- This document contains the true name and mailing address of one or more additional individuals causing the document to be delivered for filing.

Disclaimer:

This form/cover sheet, and any related instructions, are not intended to provide legal, business or tax advice, and are furnished without representation or warranty. While this form/cover sheet is believed to satisfy minimum legal requirements as of its revision date, compliance with applicable law, as the same may be amended from time to time, remains the responsibility of the user of this form/cover sheet. Questions should be addressed to the user's legal, business or tax advisor(s).

Colorado Retail Marijuana License Bond

Name of Bonding Company Hudson Insurance Company
Bond Number 10038520

KNOW ALL PERSONS BY THESE PRESENTS:

That we, The Pot Shop LLC, Street Address 905 N Main St #B
City Gunnison, County of Gunnison, State of Colorado, as Principal,
and Hudson Insurance Company, a surety company qualified and authorized to do surety business in the State of Colorado, as Surety, are held and firmly bound unto the State of Colorado to indemnify the State or local governmental entity for any loss suffered by reasons of violation of the conditions hereinafter contained in the penal sum of FIVE THOUSAND DOLLARS (\$5,000.00), lawful money of the United States, for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns jointly, severally, and firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that whereas the Principal is applying for the issuance or renewal of a license issued pursuant to the Colorado Retail Marijuana Code, Article 43.4 of Title 12 of the Colorado Revised Statutes, which license or license renewal shall be valid, if not suspended or revoked, for a license period ending one year from the last day of the month of issuance of the license or renewal;

NOW, THEREFORE, if the Principal is granted a license by the State pursuant to Article 43.4 of Title 12 of the Colorado Revised Statutes, during the term of said license and any renewal thereof, the Principal shall report and pay all sales and use taxes due the State of Colorado, or due any other entity for which the State is the collector or collecting agent, in a timely manner as provided by law.

IT IS FURTHER PROVIDED that the aggregate liability of the Surety for all breaches of the condition of this bond, regardless of the number of years this bond shall continue in force, the number of claims made against this bond, and the number of premiums which shall be payable or paid shall not exceed the amount of the bond.

IT IS FURTHER PROVIDED that pursuant to Section 12-43.4-303(2), C.R.S., the Surety shall not be required to make payments to the State of Colorado claiming under this bond until a final determination of failure to pay taxes due to the State has been made by the State Licensing Authority or a court of competent jurisdiction.

IT IS FURTHER PROVIDED that the Surety shall have the right to cancel this bond for any reason authorized by statute by filing forty-five (45) days' written notice of such cancellation with the Principal and with the State Licensing Authority. If cancellation is based upon nonpayment of premium, this bond may be cancelled by the Surety upon ten (10) days' written notice to the Principal and the State Licensing Authority.

THIS OBLIGATION may be continued from year to year by the issuance by the Surety of a proper continuation certificate delivered to the State Licensing Authority pursuant to Section 12-43.4-303(3), C.R.S.

Dated this 2nd day of March, 2016

For the Principal: [Signature] For the Surety: [Signature]
Aksel Firat, Attorney-In-Fact

ACKNOWLEDGMENT OF SURETY

Arizona
STATE OF COLORADO

COUNTY OF Maricopa | SS.

On this 2nd day of March, 2016, before me, a notary public in and for the above State, personally appeared Aksel Firat, to me personally known and being by me duly sworn, did say that he or she is an authorized corporate officer or the Attorney-in-Fact of Hudson Insurance Company, a corporation duly organized and existing under the laws of the State of Colorado, or authorized to do business therein, and that he or she as such officer executed the foregoing instrument for the purposes herein contained on behalf of said corporation, and further acknowledged that the instrument was executed as the free act and deed of said corporation.

IN WITNESS WHEREOF, I hereunto set my name and affixed my official seal on the day and year written above.

(SEAL)

[Signature]
Notary Public, State of Colorado Arizona
My commission expires: 6/30/17





POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That HUDSON INSURANCE COMPANY, a corporation of the State of Delaware, with offices at 100 William Street, New York, New York, 10038, has made, constituted and appointed, and by these presents, does make, constitute and appoint

Aksel Firat
of the State of AZ

its true and lawful Attorney(s)-in-Fact, at New York, New York, each of them alone to have full power to act without the other or others, to make, execute and deliver on its behalf, as Surety, bonds and undertakings given for any and all purposes, also to execute and deliver on its behalf as aforesaid renewals, extensions, agreements, waivers, consents or stipulations relating to such bonds or undertakings provided, however, that no single bond or undertaking shall obligate said Company for any portion of the penal sum thereof in excess of the sum of Five Thousand Dollars (\$5,000.00)

Such bonds and undertakings when duly executed by said Attorney(s)-in-Fact, shall be binding upon said Company as fully and to the same extent as if signed by the President of said Company under its corporate seal attested by its Secretary.

In Witness Whereof, HUDSON INSURANCE COMPANY has caused these presents to be of its Executive Vice President thereunto duly authorized, on this 31st day of October, 2013 at New York, New York.



Dina Daskalakis
Corporate Secretary

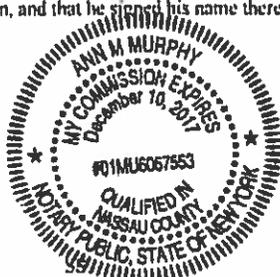
HUDSON INSURANCE COMPANY

By Christopher T. Suarez
Executive Vice President

STATE OF NEW YORK
COUNTY OF NEW YORK SS

On the 31st day of October, 2013 before me personally came Christopher T. Suarez to me known, who being by me duly sworn did depose and say that he is an Executive Vice President of HUDSON INSURANCE COMPANY, the corporation described herein and which executed the above instrument, that he knows the seal of said Corporation, that the seal affixed to said instrument is such corporate seal, that it was so affixed by order of the Board of Directors of said Corporation, and that he signed his name thereto by like order.

(Notarial Seal)



Ann M. Murphy
Notary Public, State of New York
No. 01MU607553
Qualified in Nassau County
Commission Expires December 10, 2017

STATE OF NEW YORK
COUNTY OF NEW YORK

CERTIFICATION

The undersigned Dina Daskalakis hereby certifies. That the original resolution, of which the following is a true and correct copy, was duly adopted by unanimous written consent of the Board of Directors of Hudson Insurance Company dated July 27, 2007, and has not since been revoked, amended or modified

"RESOLVED, that the President, the Executive Vice Presidents, the Senior Vice Presidents and the Vice Presidents shall have the authority and discretion, to appoint such agent or agents, or attorney or attorneys-in-fact, for the purpose of carrying on this Company's surety business, and to empower such agent or agents, or attorney or attorneys-in-fact, to execute and deliver, under this Company's seal or otherwise, bonds obligations, and recognizances, whether made by this Company as surety thereon or otherwise, indemnity contracts, contracts and certificates, and any and all other contracts and undertakings made in the course of this Company's surety business, and renewals, extensions, agreements, waivers, consents or stipulations regarding undertakings so made, and

FURTHER RESOLVED, that the signature of any such Officer of the Company and the Company's seal may be affixed by facsimile in any power of attorney or certification given for the execution of any bond, undertaking, recognizance, contract of indemnity or other written obligation in the nature thereof or related thereto, such signature and seal when so used whether heretofore or hereafter, being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed"

THAT the above and foregoing is a full, true and correct copy of Power of Attorney issued by said Company, and of the whole of the original and that the said Power of Attorney is still in full force and effect and has not been revoked, and furthermore that the Resolution of the Board of Directors, set forth in the said Power of Attorney is now in force.

Witness the hand of the undersigned and the seal of said Corporation this 2nd day of March, 2016



Form DS-10 10 8 2010 (v1)

Dina Daskalakis
Corporate Secretary



City of Gunnison, Colorado

Department of Finance

No. 99-785 \$ 10.50

Received from The Pot Shop LLC

905 N Main #B Gunnison CO 81230

the sum of Ten dollars and 50/100 * * * * * Dollars

for a license to COLLECT CITY OF GUNNISON SALES TAX

in the City of Gunnison, Colorado, for a period beginning

July 1 20 16, and ending December 31 20 16.

Stacie A. Anderson
City Clerk



MARIJUANA ENFORCEMENT DIVISION - STATEMENT OF UNDERSTANDING

I understand I am responsible for knowing and complying with all state laws and regulations governing medical and retail marijuana pursuant to Article 12 Title 43.3 and Article 12 Title 43.4 of the Colorado Revised Statutes, as well as 1 CCR 212-1 and 1 CCR 212-2 of the Colorado Code of Regulations. I understand I am being made aware of the following laws and regulations and agree to comply with them upon issuance of my license:

I will not cultivate, sell, dispense, possess or test any marijuana on the licensed premises prior to being issued a license to do so by the State Licensing Authority and receiving approval to do so by the local jurisdiction where the license is issued. AS

I understand that the licensed premises must comply with all security and surveillance requirements set forth in the Medical Marijuana Code and/or the Retail Marijuana Code and the rules or regulations promulgated in accordance with the Codes before the licensee can cultivate, sell, dispense, possess or test any marijuana on the licensed premises. AS

I understand that at all times I shall possess and maintain possession of the premises for which the license is issued by ownership, lease, rental, or other arrangement of possession of the premises. AS

I understand that I am required to keep a complete set of all records necessary to show fully the business transactions of the licensee, all of which shall be open at all times during business hours for inspections and examination by the State Licensing Authority or its duly authorized representatives. AS

I understand that the licensed premises, including any places of storage where medical marijuana and/or retail marijuana and/or infused products are stored, sold, dispensed or tested shall be subject to inspection by the state or local jurisdictions and their investigators, during all business hours and other times of apparent activity. AS

I understand that I shall retain all books and records necessary to show fully the business transactions of the business for a period of the current tax year and the three preceding tax years. AS

I understand I must use the State's Inventory Tracking System as my primary inventory tracking system of record and to follow all the rules and guidelines set forth for the use of this system. AS

I understand that any medical marijuana and/or retail marijuana and/or infused product must meet the labeling and packaging requirements set forth in the Medical Marijuana Code and/or the Retail Marijuana Code and all rules or regulations promulgated in accordance with the Codes. AS

I understand that all areas of ingress or egress to limited access areas shall be clearly identified as such by a sign as designated by the State Licensing Authority. AS

I have read all of the above information and understand my responsibilities as a medical marijuana and/or retail marijuana business licensee. I further understand that failure to comply with any law, regulation, or the provisions of this Statement may be grounds for disciplinary action including, but not limited to the suspension or revocation of my license and a monetary penalty after an administrative hearing.

LICENSEE'S BUSINESS NAME <u>THE POT SHOP LLC</u>	BUSINESS LICENSE NUMBER
OWNER'S SIGNATURE <u>[Signature]</u>	DATE <u>3/9/16</u>

[Signature] AS 3/9/2016



COLORADO
 Department of Revenue
 Enforcement Division - Marijuana



MARIJUANA OWNERSHIP AND FUNDING CERTIFICATION

Medical Marijuana Business Retail Marijuana Establishment

On behalf of the Applicant, I certify under the penalty of perjury on the date signed:

- The ownership described below is accurate and complete and includes *all* shareholders or other owners of the Applicant business entity, including members of business entities that share in the ownership in the Applicant business entity – including management and/or consulting companies, no matter how slight the ownership interest.
- The list of associated persons below is complete and includes *all* corporate or company officers, directors (including outside or independent directors), partners, and all persons who have the ability to exercise control over the management policies of the Applicant entity, along with accurate titles or positions.

Note: Business entities that own the Applicant business entity, in whole or in part, must provide details of their ownership structure.

On behalf of the Applicant, I further certify under the penalty of perjury that on the date signed:

- All investments and funds used to start and/or finance this Applicant's business entity have been disclosed and accurately reported.
- These investments and funds were obtained from fully disclosed, legal and legitimate sources.
- These investments and funds are not involved in any criminal or money laundering activity, are clear and unencumbered, and are not derived from any illegal activities.

Upon signature below the applicant also understands and agrees no change of ownership or change of location will be accepted by the State Licensing Authority, Marijuana Enforcement Division until the applicant's license(s) are approved. (Retail Only)

x <u>Jonathan Billingsley</u>	<u>OWNER</u>	<u>100%</u>
Signature	Title or Position	Ownership %
<u>(JONATHAN BILLINGSLEY)</u>	<u>THE POTSHOP LLC</u>	
Typed or Printed Name	Business Name	MED Lic. #

County of _____ State of _____

Subscribed and sworn to (or affirmed) before me this _____ day of _____ 20____ in _____, _____

 Notary Public Signature

 Printed Name of Notary Public

Notary Public, State of _____

My Commission Expires: _____



CONFIDENTIAL DOCUMENT: This document is the property of the Colorado Marijuana State Licensing Authority and the Colorado Marijuana Enforcement Division, and is provided for *Official Use Only*. This document may not be further reproduced nor its contents disclosed without the written permission of the Division or State Licensing Authority. Revised: 09/01/2015

Mark Anderson ES 3/9/2014

COMMERCIAL LEASE

This lease is made between **BENNETT ACQUISITIONS LLC, A Colorado Limited Liability Company**, herein referred to as Landlord, whose address is 905 N Main, Gunnison, CO 81230, herein called "Landlord" and **The Pot Shop LLC** herein referred to as "Tenant" and all co-signers signing this Lease (referred to in this lease individually and collectively as "Tenant") jointly and severally promise to pay to Landlord in lawful money of the United States of America the Lease amount of Three Thousand Dollars (\$3,000.00) per month commencing March 01, 2016 until April 30, 2017..

Tenant hereby offers to lease from the Landlord the premises situated in the City of Gunnison, County of Gunnison, State of Colorado, described as Building Located at **905 N Main Unit B, (approximately 1000 sq. ft.), Gunnison Co 81230 (excluding the building on the property also known as the "905 N Main Unit A, Gunnison Co 81230"** upon the following terms and conditions:

Term and Rent.

Landlord demises the above premises for a term of Twelve (12) months, commencing **March 01, 2016** and terminating **April 30, 2017** as provided herein at the monthly rental rate of Three Thousand Dollars (\$3,000.00) payable on the 1st day of each month for the duration of this lease. Monthly rent checks are to be made payable to **Landlord**, and mailed to **905 N Main Unit A, Gunnison Co 81230** unless notified otherwise to do so. A late fee of 10% (\$100.00) of the monthly rent will be assessed to any payments **not received and deposited by the third (3rd)** day of the month. If any rent payments have not been received by the fourth (4th) day of the month and additional late fee charge of \$5.00 per day will be added. A Thirty Five Dollar (\$35.00) returned check fee and any bank charges charged to Landlord will be charged for any checks returned unpaid or insufficient funds. Money paid by the Tenant shall be applied in the following order, first to outstanding late charges and returned check charges, and posting fees. All remaining funds will be applied to unpaid rents.

Security Deposit.

The tenant shall pay a deposit in advance in the amount of Three Thousand dollars (\$3,000.00) to be held and disbursed for tenant damages to the premises (if any) provided by law. The tenant may not apply the security deposit to the payment of the rent reserved or the performance of other obligations. The tenants are to keep the leased premises in as good condition as when received; will not vacate the leased premises prior to the termination hereof; will make all rental payments as the same become due; and will otherwise perform all terms, covenants and conditions of this lease. It is understood and agreed that the security deposit is neither an advance rent payment nor a bonus to the

Landlord, and the Landlord agrees that if all of the covenant herein imposed upon Tenant have been complied with, if the Landlord has not been damaged as a result of injury to the leased premises or personal property therein, nor has incurred any costs to repair or clean said premises, then in that event, Landlord shall refund to the Tenant(s) the full amount of the refundable deposit. If Tenant(s) defaults in any of the terms and provisions hereof Landlord shall have the right to apply as much of the deposit as is required to recompense Landlord for any damages thereby sustained and, if any balance remains after such application, to return the same to Tenant(s). An accounting of such security deposit shall be made to the Tenant(s) within 45 days after surrender and acceptance of the premises or termination of this Lease. After such accounting the Landlord shall immediately mail to Tenant(s) any security deposit owed to the Tenant(s), and at the Tenant's last known address, which absent written notice to the contrary, shall be the address of the leased premises herein. In the even damage to Landlord exceeds the amount of said deposit, Tenant(s) shall pay such excess amount immediately upon being billed therefore by Landlord, including Landlord's reasonable attorneys; fees and court costs incurred, if any. Any charges not paid within 45 days of receipt of statement from the Landlord will be sent for collection. Carpets are to be professionally cleaned at the termination of this lease.

Use.

The tenant shall use and occupy the premises for the commercial use of the retail sale, cultivation, processing and storage of any and all recreational and medical marijuana (cannabis) products; after receipt of approval City of Gunnison. The premises shall be used for no other purpose. Landlord represents to Tenants that upon approval of the City of Gunnison, the premises may lawfully be used for such purpose.

Care and Maintenance of Premises.

The tenant acknowledges that the premises are in good order and repair, unless otherwise indicated herein. Tenant shall, at his own expense and at all times, maintain the premises in good and safe condition, including plate glass, electrical wiring, plumbing and heating installations and any other system or equipment upon the premises and shall surrender the same, at termination hereof, in as good condition as received, normal wear and tear excepted. Tenant shall be responsible for all repairs required, excepting the roof, exterior walls, structural foundations, and shall properly maintain the heating system installed in the leased premises, but the Landlord shall pay for all repairs to said systems, except for those repairs made necessary by Tenant(s) neglect. The Tenant(s) shall pay for the expenses of repairs to the plumbing installed within said premises. Tenant(s) shall promptly remove all accumulations of ice and snow from sidewalks and driveways adjacent to the leased premises, keeping the same clean, swept and free of obstructions, trash and debris. Tenant(s) is responsible for mowing, trimming, watering, raking, pulling weeds, and otherwise keeping the lawns and trees in clean orderly condition.

Alterations.

Tenant shall not, without first obtaining written consent of the Landlord, make any alterations, additions, or improvements, in, to or about the premises. If any alterations are approved, landlord reserves the right to have the tenant return any alterations, even though approved, to the original condition. Tenant has requested to repaint the interior of the building in a neutral tone. Landlord will approve the selection of color. Tenant reserves the right to remove any equipment it owns at the termination of this lease and will return the premises in acceptable condition to the Landlord.

Ordinances and Statutes.

Tenant shall comply with all statutes, ordinances and requirements of all municipal and state authorities now in force or which may hereafter be in force, pertaining to the premises, occasioned by or affecting the use thereof by Tenant. Landlord and Tenant are aware that the sale of Marijuana is legal in the State of Colorado and the City of Gunnison however, is not legal under Federal laws. In the event that the Federal Government, either after the Presidential election or on or of their own accord, decides to prosecute the sale of marijuana in Colorado and more particularly in the City of Gunnison, then this lease will become null and void and the Tenant will indemnify the Landlord for any and all losses (monetary, business or otherwise) it occurs as a result therein.

Assignment and Subletting.

Tenant shall NOT assign this lease or sublet any portion of the premises without prior written consent of the Landlord, which shall not be unreasonably withheld. Any such assignment or subletting without consent shall be void and, at the option of the Landlord, may terminate this lease. There will be a \$100.00 fee; a credit report, ordered by the landlord, will be required and the charge will be \$25.00.

Utilities.

All applications and connections for necessary utility services of the premises shall be made in the name of the Landlord only, and Tenant shall be solely liable for 33.3% (1/3) utility charges as they become due, gas, electricity, telephone and internet services as applicable. Refer to Additional Provisions for further information.

Entry and Inspection.

Tenant shall permit Landlord and Landlord's agent to enter upon the premises at reasonable times and upon reasonable notice, for the purpose of inspecting the same, and will permit Landlord at any time within sixty (60) days prior to the expiration of this

lease, to place upon the premises any usual 'To Let' or 'For Lease' signs, and permit persons desiring to lease the same to inspect the premises thereafter.

Indemnification of Landlord.

Landlord shall not be liable for any damage or injury to Tenant, or any other person or to any property, occurring on the demised premises or any part thereof, and Tenant agrees to hold Landlord harmless from any claims for damages, no matter how caused.

Insolvency.

Any assignment for the benefit of creditors or by operation of law shall not be effective to transfer any rights hereunder to the said assignee without the written consent of the Landlord first having been obtained. It is further agreed between the parties hereto that if Tenant shall be declared insolvent, or if any assignment of Tenant's property shall be made for the benefit of creditors or otherwise, or if Tenant's leasehold interest herein shall be levied upon under execution, or seized by virtue of any writ of any court of law, or a Receiver be appointed for the property of Tenant, whether under the operation of State or Federal Statutes, then and in any such case, Landlord may, at its option, terminate this lease and retake possession of said premises, without being guilty of any manner of trespass or forcible entry or detainer, and without the same working any forfeiture of the obligations of Tenant hereunder. In case the Tenant is adjudicated a bankrupt, or proceeds or is proceeded against under any State or Federal laws for relief of debtors, or in case a receiver is appointed to wind up and liquidate the affairs of the Tenant, the Landlord, at its election shall have a provable claim in bankruptcy or receivership in an amount equal to at least the sum of the last 12 monthly payments of the rental provided for herein, which sum is fixed and liquidated by the parties hereto as the minimum amount of the damages sustained by the Landlord as a result of the bankruptcy or receivership of the Tenant, and the amount of said damages may be satisfied, at the election of the Landlord, out of any moneys or securities deposited herein as security for the payment by the Tenant of the rent herein provided for.

Insurance.

Tenant, at his expense, shall maintain public liability insurance including bodily injury and property damage insuring Tenants and Landlord with minimum coverage as follows: Tenants shall provide Landlord with a Certificate of Insurance showing Landlord as additional insured. The Certificate shall provide for a ten day written notice of Landlord in the event of cancellation or material change of coverage. To the

maximum extent permitted by insurance policies, which may be owned by Landlord or Tenant, Tenant and Landlord, for the benefit of each other, waive any and all rights of subrogating which might otherwise exist. Tenant(s) shall maintain and keep in force all employees' compensation insurance required by the laws of the State of Colorado, and such other insurance required to protect Landlord against liability for personal injury or property damage arising under this lease by operation of law. Should either Landlord or Tenant(s) fail to keep in effect or to pay for all or any part of the insurance required by this section, the other party, may pay for such insurance. In that event, the premium thus paid shall be a credit against future rent obligations (if paid by the Tenant(s)) or it shall be immediately due and payable as additional rent (if paid by the Landlord). Failure by Tenant(s) to reimburse Landlord on demand shall constitute a breach of this lease.

Loss or Damage.

All personal property of any kind or description whatsoever in the demised premises shall be at the Tenant's sole risk, and the Landlord shall not be held liable for any damage done to or loss of such personal property, or for damage or loss suffered by the business or occupation of the Tenant arising from any act or neglect of co-tenants or other occupants of the building, or of their employees or the employees of the Landlord or of other persons, or from bursting, overflowing or leaking of water, sewer or steam pipes, or from heating or plumbing fixtures, or from electric wires, or from gases, or odors, or caused in any other manner whatever, except in the case of willful neglect on the part of the Landlord.

Eminent Domain.

If the premises or any part thereof or any estate therein, or any part of the building materially affecting Tenant's use of the premises, shall be taken by eminent domain, this lease shall terminate on the date when title vests pursuant to such taking. The rent, and any additional rent, shall be apportioned as of the termination date, and any rent paid for any period beyond that date shall be repaid to Tenant. Tenant shall not be entitled to any part of the award for such taking or any payment in lieu thereof, by Tenants may file a claim for any taking of fixtures and improvements owned by Tenant, and for moving expenses.

Destruction of Premises.

In the event of a partial destruction of the premises during the term hereof, from any cause, Landlord shall forthwith repair the same, provided that such repairs can be made within sixty (60) days under existing governmental laws and regulations, but such partial destruction shall not terminate this lease, except that Tenant shall be entitled to a proportionate reduction of rent while such repairs are being made, based upon the extent to which the making of such repairs shall interfere with the business of Tenant on the premises. If such repairs cannot be made within said sixty (60) days, Landlord, at his option, may make the same within a reasonable time, this lease continuing in effect with

the rent proportionately abated as aforesaid, and in the event that Landlord shall not elect make such repairs which cannot be made within sixty (60) days this lease may be terminated at the option of either party. In the event that the building in which the demised premises may be situated is destroyed to an extent of not less than one-third (1/3) of the replacement costs thereof, Landlord, may elect to terminate this lease whether the demised premises be injured or not. A total destruction of the building in which the premises may be situated shall terminate this lease.

Landlord's Remedies on Default.

If the Tenant defaults in the payment of rent, or any additional rent, or defaults in the performance of any of the other covenants or conditions hereof, Landlord may give the Tenant notice of such default within Three (3) days, after the giving of notice (or if such default is of such nature that it cannot be completely cured with such period, if Tenant does not commence such curing within such Three (3) days and thereafter proceed with reasonable diligence and in good faith to cure such default), then Landlord may terminate this lease on not less than Three (3) days notice to Tenant. On the date of specified in such notice the term of this lease shall terminate, and Tenant shall not quit and surrender the premises to Landlord, but Tenant shall remain liable as hereinafter provided. If this lease shall have been so terminated by Landlord, Landlord may at any time thereafter resume possession of the premises by any lawful means and remove Tenant or other occupants and their effects. No failure to enforce any term shall be deemed a waiver. The Tenant shall be responsible for any and all attorney fees upon default of the Tenant.

Tax Increase.

In the event there is any increase during any year of the term of this lease in the City, County, or State real estate taxes over and above the amount of such taxes assessed for the tax year during which the term of this lease commences, whether because of increased rate or valuation, Tenant shall pay to Landlord upon presentation of paid tax bills an amount equal to 33.3% (1/3) of the increase in taxes upon the land and building in which the leased premises are situated. In the event that such taxes are assessed for a tax year extending beyond the term of this lease, the obligation of Tenant shall be proportionate to the portion of the lease term included in such year.

Attorney's Fees And Jurisdiction

If case suit should be brought for recovery of the premises or for any sum due hereunder, or because of any act which may arise out of possession of the premises, by either party, the prevailing party shall be entitled to all costs incurred in connection with

such action, including reasonable attorney's fees. Landlord and Tenant agree that jurisdiction of any action in Court reigns in Colorado.

In the event of Tenant's default or failure of Tenant to comply with any of the terms of this lease and an attorney is engaged by Landlord, Tenant shall be responsible for Landlords attorney fees.

Invalidity or Inapplicability

If any term, provision or paragraph of this Lease, of the application thereof, be invalid or unenforceable, the remainder of this Lease or the application of such terms, provisions and paragraphs other than that which is held to be invalid or unenforceable, shall not be effected hereby and each of the remaining terms, provisions and paragraphs of this lease shall be valid and enforceable to the extent permitted by law.

Dangerous Material

Tenants(s) shall not keep or have on the premises any article or thing of a dangerous, inflammable, or explosive character that might substantially increase the danger of fire on the premises, or that might be considered hazardous by a responsible insurance company, unless the prior written consent of the Landlord is obtained and proof of adequate insurance protection is provided by Tenant(s) or Landlord.

Notices.

Any notice which either party may or is required to give, shall be given by mailing the same, postage prepaid, to Tenant at the premises, or Landlord at the address shown below, or at such other places as may be designated by the parties from time to time.

Attention: Sean Bennett
c/o BENNETT ACQUISITIONS LLC
905 North Main Unit A
Gunnison, CO 81230

Heirs, Assigns, Successors.

This lease is binding upon and inures to the benefit of the heirs, Personal Representatives, assigns and successors in interest to the parties.

Option to Renew.

Provided that Tenant is not in default in the performance of this lease, Tenant shall have the option to renew the lease for an additional term of Twelve months or longer commencing at the expiration of the initial lease term and shall be conditioned upon the Landlord's written approval. All of the terms and conditions of the lease shall apply during the renewal term except that the monthly rent shall increase 5% from the previous lease term rent. The option shall be exercised by written notice given to Landlord not less than Forty Five days (45 days) prior to the expiration of the initial lease term. If notice is not given in the manner provided herein within the time specified, said option to renew shall expire.

Snow Conditions

If there is a substantial snowfall Tenant are to be aware that snow can accumulate on the roof. Walkways and decks are to be shoveled by Tenant or its agents or subcontractor.

Subordination.

This lease is and shall be subordinated to all existing and future liens and encumbrances against the property.

Posting.

In the event the Tenant(s) is posted for non-payment of rent there will be an additional posting charge of One Hundred dollars (\$100.00).

Termination Upon Sale of the Premises

Notwithstanding, any other provision of the Lease, Landlord may terminate this lease upon forty five (45) days written notice to Tenant(s) that the premises have been sold.

Additional Provisions.

Parking arrangements have been agreed to between Landlord and Tenant regarding unit A and B at the demised premises.

Tenant acknowledges that they will keep on the premises a fully charged fire extinguisher. It is the sole responsibility of the tenant to keep said extinguisher recharged and operable at all times as acceptable by the fire Marshall of Gunnison County.

If the leased premises are left vacant for any period of time, heat settings are to be set at a temperature to insure that the premises are properly heated and that the water pipes, sewer pipes, or fixtures are not in danger of freezing.

The dumpster/trash area is to be kept clear of trash and accumulated trash; all trash that is considered acceptable container trash will be placed inside the dumpster provided. No hazardous materials may not be dumped into the trash dumpster, or set alongside the building or stored inside the leased premises.

Installation of signs shall be according to the sign ordinance regulations of the City of Gunnison, Gunnison County. All signs affixed to the outside of the building structure are to be removed at the termination of the tenants' occupancy.

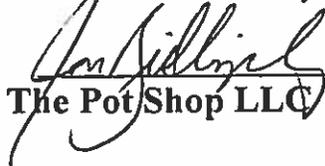
No unauthorized vehicles are to be parked or stored on said premises and will be towed.

To neither hold nor attempt to hold the Landlord liable for any injury or damage, either proximate or remote, occurring through or caused by repairs, alterations, injury or accident to the premises, or adjacent premises, or other parts of the above premises not herein demised, or by reason of the negligence or default of the owners or occupants thereof or any other person, nor to hold the Landlord liable for any injury or damage occasioned by defective electric wiring, or breakage or stoppage of plumbing or sewage upon said premises or upon adjacent premises, whether breakage or stoppage results from freezing or otherwise; to neither permit nor suffer said premises, or the walls or floors thereof, to be endangered by overloading, nor said premises to be used for any purpose which would render the insurance thereon void or the insurance risk hazardous, nor make any alterations in or changes in, upon, or about said premises without first obtaining the written consent of the Landlord therefore, but to permit the Landlord to place a "For Rent" card or sign upon the leased premises at any time after sixty (60) days before the end of this lease, if not extended.

Entire Agreement.

The foregoing constitutes the entire agreement between the parties and may be modified only by a writing signed by both parties. The following Exhibits, if any, have been made part of this lease before the parties' execution hereof.


Landlord, Sean Bennett, Managing Member,
c/o BENNETT ACQUISITIONS LLC
Limited Liability Company.


Tenant, The Pot Shop LLC
THE POT SHOP LLC
OWNER

Witness of signature of Tenant



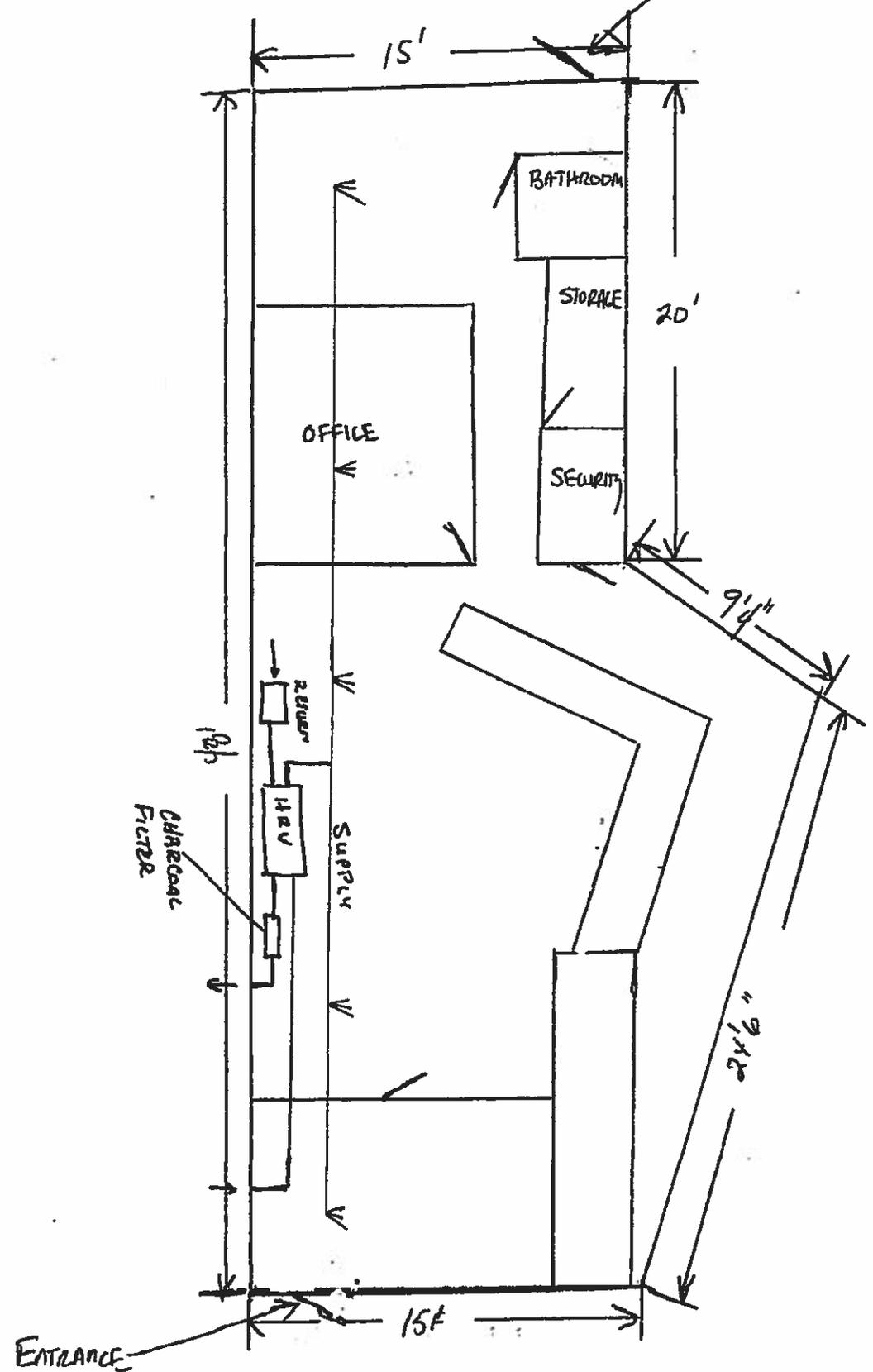
Deven Bennett Date 3/8/16

Printed Signature

John Palliarovich

Employee ENTRANCE

Z-



905 B N. Main St.

C → N

STATE OF COLORADO

DEPARTMENT OF REVENUE



Marijuana Enforcement Division



Retail Marijuana Conditional License

THE POT SHOP, LLC

THE POT SHOP, LLC

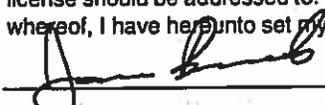
905 North Main Street #B, Gunnison, CO 81230

Retail Marijuana Store - 402R-00566

License Valid Through: 04/28/2017

This license is conditioned upon Local Authority approval, pursuant to section 12-43.4-304(1) C.R.S.

This conditional license is issued subject to the laws of the State of Colorado and especially under the provisions of Title 12, Article 43.4, as amended. A licensee shall not exercise any of the rights or privileges of this license until such time as all such Medical Marijuana and Medical Marijuana-Infused Product are fully transferred and declared in the inventory tracking system as Retail Marijuana and Retail Marijuana Product, pursuant to Rule R211 & R309. This conditional license is nontransferable and shall be conspicuously posted in the place above described. This conditional license is only valid through the expiration date shown above. Any questions concerning this conditional license should be addressed to: Colorado Marijuana Enforcement Division, 455 Sherman Street, Suite 390, Denver, CO 80203. In testimony whereof, I have hereunto set my hand.


James Burack
Division Director


Barbara J. Brohl, Executive Director



To: City Council
CC: Interim City Manager Mark Achen
From: City Clerk Gail Davidson
Date: June 22, 2016
RE: Consent Agenda

City Council:

You will note the Regular Session agenda contains a Consent Agenda. This type of agenda item allows City Council to approve, by a single motion, second and vote, matters that have already been discussed by the entire Council or matters that are considered routine or non-controversial. A Consent Agenda allows for the meeting to proceed in a more efficient and timely manner. The agenda items will not be separately discussed unless a Councilor, City Staff, or a citizen requests an item be removed be discussed separately. Items removed from the Consent Agenda will then be considered under New Business.

When a motion is made to approve the Consent Agenda, the Councilor making the motion should, for the record, include the list of the Consent Agenda items being considered in the vote. Please let me know if you have any questions regarding the Consent Agenda process.

Thank you, Gail

Action Requested of Council:

Motion, second and vote to approve the Consent Agenda as presented with the following items:

- Minutes of May 24, 2016, Regular Session Meeting
- Minutes of May 25, 2016, Special Session Meeting
- Minutes of May 27, 2016, Special Session Meeting
- Minutes of June 13, 2016, Special Session Meeting
- Minutes of June 14, 2016, Special Session Meeting
- Minutes of June 15, 2016, Special Session Meeting
- Minutes of June 21, 2016, Special Session Meeting
- Action to Accept Amended City Employee Handbook as presented June 7, 2016
- Action to Accept Amended City Standby Policy as presented June 7, 2016
- Action to Accept Amended Disciplinary Guidelines as presented June 7, 2016
- Approval of Amendment to Gunnison Chamber of Commerce MOA
- Direct Staff to Pursue GOCO Grant for Char-Mar Park Upgrade

MAY 24, 2016

**CITY OF GUNNISON COUNCIL
REGULAR SESSION MEETING MINUTES**

7:00 P.M.

The City Council Regular Session meeting was called to order at 7:00 P.M., by Mayor Hagan with Councilors Ferguson, Drexel, Morrison and Schwartz present along with City Attorney Fogo, Interim City Manager Achen, City Clerk Davidson, Finance Director Cowan, Community Development Director Westbay, Parks & Recreation Director Ampietro, Streets Superintendent Summer, several citizens and the press. A Council quorum was present.

PUBLIC HEARING

7:00 P.M.

Receive Public Input on Hotel & Restaurant Liquor License Application from ABCD Bikes LLC dba Double Shot Cyclery, 222 N. Main Street in Gunnison.

Mayor Hagan opened the Public Hearing and stated the time is now 7:00 P.M. on Tuesday, May 24, 2016, in the City Council Chambers of City Hall, 201 W. Virginia Avenue in Gunnison, Colorado and the purpose of this Public Hearing is to receive public input on the Hotel & Restaurant Liquor License application from ABCD Bikes LLC, dba Double Shot Cyclery, 222 N. Main Street, in Gunnison, Colorado.

Present at the Public Hearing are myself, Mayor Richard Hagan, City Councilors Stu Ferguson, Robert Drexel, Leia Morrison and Matt Schwartz, City Attorney Kathy Fogo, Interim City Manager Mark Achen, City Clerk Gail Davidson, Finance Director Ben Cowan, Community Development Director Steve Westbay, the applicant and some citizens. Mayor Hagan asked the applicant to identify himself. Mr. Daniel Crean did so.

Mayor Hagan then called for City Staff comments and recommendations. City Clerk Davidson stated that Article 47, Title 12, of the Colorado Revised Statutes (CRS) sets the general rules and regulations for the sale of alcoholic beverages. It states the state licensing authority and the local licensing authority, in this case the Gunnison City Council, have dual responsibility for regulating the sale of alcoholic beverages and issuing licenses to do so. If the State doesn't approve a license, the City cannot grant a license and the State will not issue a license without the City's approval. Article 47, Title 12 CRS sets the application requirements and process for each type of liquor license. The applicant is applying for a Hotel & Restaurant Liquor License for the premises located at 222 N. Main Street in Gunnison. This type of license allows for the sale and service of malt, vinous and spirituous liquor by the drink for on-premises consumption along with having food available to eat in addition to the alcohol.

The applicant has filed the proper application with the required documentation, has paid the required fees, the required Public Hearing was noticed in the Gunnison Country Times and the premises was posted for the Hearing. The principal in the LLC is Daniel Crean. Part 3 of C.R.S. 47-12 allows for concurrent state and local review of the license application. The applicant has paid the fees for a concurrent review and the State has conducted their review at this time. The City Attorney, City Clerk, Building Official, Fire Marshal and Police Chief have reviewed the application and the premises. Copies of their memos are included in Council packets and are included in the official record of the public hearing.

A liquor license is a property right and as such, the application hearing is a quasi-judicial proceeding where any party in interest can present evidence regarding the issuance of the liquor license. The duty of the Local Licensing Authority is to determine if the applicant is of good moral character, that the issuance of the license meets the reasonable requirements of the neighborhood and the needs and wants of the neighborhood will be met by the issuance of the license.

Mayor Hagan called for the Determination of the Neighborhood. City Clerk Davidson stated that for the purposes of liquor licensing, the neighborhood is defined as the area within the incorporated boundaries of the City of Gunnison, Colorado.

Mayor Hagan then called for the applicant's testimony. Mr. Daniel Crean addressed Council. He stated he wants his business to be a community hang out. Being able to serve alcohol at his business will enhance that. Mr. Crean provided Council with 2 pages of citizen's signatures who are in favor of the issuance of the liquor license at the proposed location.

Mayor Hagan then called for testimony in favor of the application. There was no testimony.

Mayor Hagan then called for testimony in opposition of the application. There was no testimony.

Mayor Hagan then called for any final comments on the matter, and hearing none, stated Council will take the application under consideration for action during the Regular Session meeting. Mayor Hagan closed the Public Hearing at 7:08 P.M. and returned to the Regular Session meeting.

Consent Agenda:

The listing under “CONSENT AGENDA” is a group of items, which Council has already reviewed, to be acted on with a single motion or vote. This agenda is designed to expedite the handling of limited routine matters by Council. The Mayor will ask if any Councilor or Citizen wishes to have any specific item removed from the Consent Agenda and acted upon individually.

**Minutes of May 09, 2016, Special Session Meeting;
Minutes of May 10, 2016, Regular Session Meeting;
Minutes of May 17, 2016, Special Session Meeting;
Approval of Awarding 2016 Street Improvement Projects Contract to United Companies in an amount not to exceed \$655,000;
Appointment of Erin Carlson to City Challenge Grant Committee; and
Action on Gunnison Arts Center Multi-Day Event Permit for 2016 Sundays at 6 Music Programs at Legion Park.**

Councilor Ferguson moved and Councilor Drexel seconded the motion to approve the Consent Agenda as listed on the agenda.

Roll call vote, yes: Ferguson, Drexel, Hagan, Morrison, Schwartz. So carried.

Roll call vote, no: None.

Pre-Scheduled Citizens:

Presentation from Youth Challenge Grant Recipients for GHS Project Grad – Lilly Westbay and DeAndré Adamich. Recently graduated GHS student Lilly Westbay came forward and addressed Council. She informed Council that DeAndre is unable to be at the meeting this evening. Both students were members of the Student Leadership Class, DeAndre as President and Lilly as Secretary. Ms. Westbay informed Council that Project Grad was a success and a lot of fun. 30 students out of the graduating class of 61 students attended the event held at the Blue Mesa Recreation Ranch. There were a lot of great prizes given out that were paid for with money from local businesses, people and the City. Community Development Director Westbay informed Council the student’s parents were the main organizers of Project Grad and they pass along information to subsequent organizers. On a side note, Councilor Drexel asked Ms. Westbay about the status of the GHS horseshoes on the City streets. Ms. Westbay stated they will be repainted in the fall as a Homecoming activity and they run from Tomichi north to the High School along 11th Street. Council thanked Ms. Westbay for her report and wished her well in college next year.

New Business:

Action on Hotel & Restaurant Liquor License Application from ABCD Bikes LLC dba Double Shot Cyclery, 222 N. Main Street in Gunnison. Councilor Morrison moved and Councilor Schwartz seconded the motion that the Hotel & Restaurant Liquor License for ABCD Bikes LLC, dba Double Shot Cyclery, 222 N. Main St., Gunnison, CO 81230, be approved for the following findings of fact:

1. There has not been a denial of an application at the same location, or a location within 500 feet thereof, by either the state or local licensing authority within the two years preceding the date of the application on the grounds that the reasonable requirements of the neighborhood were satisfied by existing outlets;

2. It appears from the evidence submitted with the application that the applicant is entitled to possession of the premises where the license is proposed to be exercised;

3. Selling malt, vinous and spirituous liquor by the drink for On-Premises consumption in the manner proposed in the application is not in violation of the zoning, fire, and other applicable codes of the City of Gunnison or the laws of the State of Colorado;

4. The building where the application proposes to sell malt, vinous and spirituous liquor for on-premises consumption, does not appear to be within 500 feet of any public or parochial school or the principal campus of any college, university, or seminary;

5. Within the City limits of the City of Gunnison, where liquor is proposed to be sold, there are the following existing other outlets:

- 4 - Beer and Wine Licenses
- 14 - Hotel/Restaurant Licenses
- 5 - Retail Liquor Store Licenses
- 1 - Arts License
- 1 - Brew Pub License
- 6 - Tavern Licenses
- 1 - Club Type Licenses
- 6 - 3.2% Beer Type License;

6. All fees necessary for the application have been paid; and
7. According to the information obtained through testimony by the applicants before the Local Licensing Authority, the applicant is of good moral character and possesses the qualifications necessary to conduct the type of business proposed.

Roll call vote, yes: Drexel, Hagan, Morrison, Schwartz, Ferguson. So carried.

Roll call vote, no: None.

Appointment for Planning & Zoning Commission Vacancy with term to expire 05/2021.

Councilor Schwartz moved and Councilor Morrison seconded the motion to appoint Theresa Hanacek to the City Planning & Zoning Commission with a term to expire in May, 2021.

Councilor Schwartz stated he feels Ms. Hanacek has a longer term interest in the community and has been active in the Complete Streets Project. Councilor Morrison stated she also likes Ms. Hanacek's longevity in the Valley.

Roll call vote, yes: Hagan, Morrison, Schwartz, Ferguson, Drexel. So carried.

Roll call vote, no: None.

Action on Contract for Service with Gunnison County for Colorado Wildfire & Incident Management Academy in the Amount of \$1,000. This item was discussed at last week's Council Work Session meeting.

Councilor Drexel moved and Councilor Ferguson seconded the motion to approve the Contract for Service with Gunnison County for the Colorado Wildfire & Incident Management Academy in the amount of \$1,000.00, to authorize the Mayor to sign said Contract and authorize the release of the budgeted 2016 funds for the event.

Roll call vote, yes: Morrison, Schwartz, Ferguson, Drexel, Hagan. So carried.

Roll call vote, no: None.

Action to Set Public Hearing for The Pot Shop LLC, Retail Marijuana Store Application for 7:00 P.M., June 28, 2016.

Councilor Schwartz moved and Councilor Morrison seconded the motion to set the City's public hearing on the retail marijuana store license application from The Pot Shop LLC, dba The Pot Shop, 905B N. Main Street, in Gunnison for 7:00 P.M., Tuesday, June 28, 2016, in the City Council Chambers of City Hall, 201 W. Virginia Avenue in Gunnison.

Roll call vote, yes: Schwartz, Ferguson, Drexel, Hagan, Morrison. So carried.

Roll call vote, no: None.

Action to Set Public Hearing for Frozen Smoke LLC, Retail Marijuana Store Application for 7:15 P.M., June 28, 2016.

Councilor Schwartz moved and Councilor Ferguson seconded the motion to set the City's public hearing on the retail marijuana store license application from Frozen Smoke LLC, dba Frozen Smoke, 500 W Tomichi Avenue Unit 103, in Gunnison for 7:15 P.M., Tuesday, June 28, 2016, in the City Council Chambers of City Hall, 201 W. Virginia Avenue in Gunnison.

Roll call vote, yes: Ferguson, Drexel, Hagan, Morrison, Schwartz. So carried.

Roll call vote, no: None.

Action on Letter of Resignation from City Councilor Stu Ferguson with an Effective Date of May 31, 2016.

Councilor Morrison moved and Councilor Schwartz regrettably seconded the motion to accept the letter of resignation from Councilor Stu Ferguson with an effective date of May 31, 2016.

Councilor Ferguson stated he has served the City in some capacity for 44 years, including as a Police Officer, Police Chief, on the Planning Commission, and on Council, including serving as Mayor. It has been great but it is now to spend time with the grandkids. All of Council thanked Councilor Ferguson for his service, for helping to keep them on track, bringing differing opinions together and wished him well in his new life adventure. Councilor Drexel related a humorous story about Councilor Ferguson when he was the Police Chief and Councilor Drexel was a school principal during the first Hells Angels visit to Gunnison.

Roll call vote, yes: Drexel, Hagan, Morrison, Schwartz, Ferguson. So carried.

Roll call vote, no: None.

Resolutions and Ordinances:

Resolution No 4, Series 2016, Re: Creating Parks & Recreation Advisory Committee.

Councilor Schwartz introduced Resolution No. 4, Series 2016, and it was read by title only by the City Attorney.

Councilor Schwartz moved and Councilor Morrison seconded the motion that Resolution No. 4, Series 2016, **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, CREATING A PARKS AND RECREATION ADVISORY COMMITTEE**, be introduced, read, passed and adopted this 24th day of May, 2016.

Roll call vote, yes: Hagan, Morrison, Schwartz, Ferguson, Drexel. So carried.

Roll call vote no: None.

Resolution No. 5, Series 2016, Re: Cancellation of June 14, 2016, Regular Session Council Meeting. Councilor Drexel introduced Resolution No. 5, Series 2016, and it was read by title only by the City Attorney.

Councilor Drexel moved and Councilor Morrison seconded the motion that Resolution No. 5, Series 2016, **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, CANCELING THE REGULAR SESSION MEETING THAT WAS SCHEDULED FOR JUNE 14, 2016**, be introduced, read, passed and adopted this 24th day of May, 2016.

Roll call vote, yes: Morrison, Schwartz, Drexel, Hagan. Motion carried.

Roll call vote, no: None.

Roll call vote, abstain: Ferguson. He will no longer be serving on Council at that time.

Resolution No. 6, Series 2016, Re: Setting Use of Public Rights-of-Way for Private Business Application Fee. Councilor Schwartz introduced Resolution No. 6, Series 2016, and it was read by title only by the City Attorney.

Councilor Schwartz moved and Councilor Morrison seconded the motion that Resolution No. 6, Series 2016, **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, ADOPTING FEES**, be introduced, read, passed and adopted this 24th day of May, 2016.

Local business owner TL Livermore asked for clarification about the fee. Director Westbay stated the fee is \$50 for the License Agreement application processing with the City for use of the sidewalk by private business and since License Agreements are valid for one year, it is an annual fee. Sandwich board signs are exempt from the fee but must meet the set size requirements.

Roll call vote, yes: Schwartz, Ferguson, Drexel, Hagan, Morrison. So carried.

Roll call vote, no: None.

Ordinance No. 4, Series 2016; Re: Use of Public rights-of-Way for Private Purposes; 2nd Reading. Councilor Schwartz introduced Ordinance No. 4, Series 2016, and it was read by title only by the City Attorney.

Councilor Schwartz moved and Councilor Morrison seconded the motion that Ordinance No. 4, Series 2016, **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON REPEALING TITLE 8, CHAPTER 8.20, SIDEWALK VENDORS, AND REPEALING AND REENACTING TITLE 9, CHAPTER 9.40, USE OF PUBLIC RIGHTS-OF-WAY**

FOR PRIVATE PURPOSES, OF THE CITY OF GUNNISON MUNICIPAL CODE, be introduced, read, passed and adopted as amended on second and final reading this 24th day of May, 2016.

Business owner TL Livermore asked Council about the enforcement piece on the ordinance. What if he is the only business owner that pays the annual fee to place merchandise on the sidewalk and others do it for free without an agreement. Mayor Hagan stated Council recognizes the need for enforcement with this Ordinance. It needs to be fair and equal for all. Councilor Morrison suggested a flyer be developed explaining the requirements now that the Ordinance has been adopted. Mayor Hagan thanked Director Westbay and his staff for all their work on this process.

Roll call vote, yes: Ferguson, Drexel, Hagan, Morrison, Schwartz. So carried.

Roll call vote, no: None.

Ordinance No. 5, Series 2016; Re: Amending Gunnison Municipal Code Section 5.49.020 Animal Licensing; 2nd Reading. Councilor Drexel introduced Ordinance No. 5, Series 2016, and it was read by title only by Councilor Drexel.

Councilor Drexel moved and Councilor Ferguson seconded the motion that Ordinance No. 5, Series 2016, **AN ORDINANCE AMENDING SECTION 5.40.020 OF THE GUNNISON MUNICIPAL CODE RELATING TO LICENSING OF DOGS AND CATS**, be introduced, read, passed and adopted on second and final reading 24th day of May, 2016.

Roll call vote, yes: Drexel, Hagan, Morrison, Schwartz, Ferguson. So carried.

Roll call vote, no: None.

Ordinance No. 6, Series 2016; Re: Amending Gunnison Municipal Code Section 2.20 City Purchasing Policy; 2nd Reading. Councilor Morrison introduced Ordinance No. 6, Series 2016, and it was read by title only by the City Attorney.

Councilor Morrison moved and Councilor Drexel seconded the motion that Ordinance No. 6, Series 2016, **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, AMENDING CHAPTER 2.20, PURCHASING POLICY AND PROCEDURE, OF THE CITY OF GUNNISON MUNICIPAL CODE** be introduced, read, passed and ordered adopted on second and final reading this 24th day of May, 2016.

Roll call vote, yes: Hagan, Morrison, Schwartz, Ferguson, Drexel. So carried.

Roll call vote, no: None.

Ordinance No. 7, Series 2016; Re: Amending Municipal Code Section 4.10 Municipal Court, 1st Reading. Councilor Schwartz introduced Ordinance No. 7, Series 2016, and it was read by title only by the City Attorney.

Councilor Schwartz moved and Councilor Morrison seconded the motion that Ordinance No. 7, Series 2016, **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, AMENDING TITLE 4 JUDICIARY, CHAPTER 4.10 MUNICIPAL COURT, SECTION 4.10.040 MUNICIPAL COURT CLERK**, be introduced, read, passed and ordered published on first reading this 24th day of May, 2016.

Roll call vote, yes: Morrison, Schwartz, Ferguson, Drexel, Hagan. So carried.

Roll call vote, no: None.

Reports:

City Attorney Kathleen Fogo: nothing to report.

Interim City Manager Mark Achen: Interim City Manager Achen reported on the following: the long line street painters finished striping yesterday; the streets and cross walks in the school zones will be painted in the late summer before school starts; both San Juan and North 14th won't be painted until after they are rebuilt this summer; and work on Highway 50 is underway outside of the City with resurfacing work taking place.

Acting City Manager: Finance Director Ben Cowan – Semi-Annual Department Report. Director Cowan informed Council he has completed one year with the City. His staff has many years of service with the City and they run a whole gambit of duties. He reviewed a quick list of what they accomplish in their department. He stated he has a great staff. Director Cowan reviewed a new database that was just completed to assist the Water Lab from testing through the invoicing

Process in the Finance Department. Council thanked Director Cowan for his report.

Parks & Recreation Director Dan Ampietro: reminded Council of the Growler Bike Races on both Saturday and Sunday this coming weekend.

City Clerk Gail Davidson: reminded Council about the 1:00 P.M. Council Special Session meeting tomorrow in the downstairs conference room. Municipal Court will be taking place in the Chambers.

Western State Colorado University Student Liaison: absent until fall semester.

Non-Scheduled Citizens: None.

City Council Discussion, Meeting Reports, Items for Work Session:

Councilor Ferguson: reminded Council they will need to appoint a Council representative to the Firemen's Pension Board to replace him as "off he goes".

Councilor Drexel: reported he attended the Gunnison Housing Foundation meeting where they adopted a budget and then immediately changed it twice. That meeting will continue on Wednesday. He also attended the Habitat for Humanity groundbreaking. Lastly, he stated he has had some citizen complaints about traffic speeding on Spencer Avenue. Councilor Drexel thanked Director Westbay for printing the City maps depicting property available for possible land banking.

Councilor Morrison: reported she attended the One Valley Prosperity (OVPP) community meeting last week. It was well attended and the final strategic planning document is on the OVPP website. She attended the Chamber meeting this morning where they discussed the business plan being developed, the need for "way finding" to the Chamber building, and the upcoming Block Party that will take place on June 2nd downtown. The PD will be providing some training for the event marshals to be stationed around the perimeter of the event. There will be a Chamber golf tournament this fall at Dos Rios. Cottonwood Pass will open this Friday and the ICE House at Western hopes to open by fall.

Councilor Schwartz: reported he too attended the OVPP wrap-up event. They were pleased with the turn-out. He then attended a CBTF meeting the next morning where the group discussed devising measurements and metrics for the provisions of the final OVPP plan.

Mayor Hagan: reported he attended the OVPP wrap-up event as well. At the Habitat for Humanity groundbreaking, the house foundation and footer were framed and ready for concrete. The new homeowners attended the event and there are many new volunteers on the project. He and Leia met with Andie and they discussed the downtown sidewalk designs and placement of the bike corrals. Lastly, he attended the Upper Gunnison River meeting last night where it was reported the basin is at 98% average snowpack and Blue Mesa is projected to fill to 83% this summer.

Director Cowan informed Council about a potential workers strike being planned for Crested Butte during the busy July 4th holiday to protest the lack of workforce housing in the Valley. We need to be aware of the problem moving down to Gunnison. Attorney Fogo stated that rentals are tight down here even without the Vacation Rental By Owner issue that is occurring in CB.

Director Westbay reminded Council about the Lazy K Plan community meeting tomorrow night at 5pm and the Complete Streets Project Community meeting at 6pm on Thursday evening.

Adjournment: Mayor Hagan called for any further discussion from Council, Staff or the public, and hearing none, adjourned the Regular Session meeting at 8:08 P.M.

Mayor

City Clerk

The City Council Special Session meeting was called to order at 1:01 P.M., by Mayor Hagan with Councilors Ferguson, Drexel, Morrison and Schwartz present along with Interim City Manager Achen, City Clerk Davidson, and Strategic Government Resources Consultant Mike Tanner. A Council quorum was present.

Executive Session. Pursuant to C.R.S. §24-6-402(4)(f)(I) To discuss personnel matters except if the employee who is the subject of the session has requested an open meeting, or if the personnel matter involves more than one employee, all of the employees have requested an open meeting. The Executive Session is not open to the public.

Councilor Ferguson moved and Councilor Drexel seconded the motion to go into Executive Session to discuss personnel matters as stated on the agenda.

No roll call vote was taken. All of Council was in agreement to go into Executive Session.

Council went into Executive Session. The City Clerk left the meeting.

Council came out of Executive Session at 2:08 P.M. and the City Clerk returned to the meeting. Mayor Hagan stated the following: the time is now 2:08 P.M. and the Executive Session has been concluded. The participants in the Executive Session were Mayor Richard Hagan, Mayor Pro Tem Robert Drexel, Councilor Stu Ferguson, Councilor Leia Morrison, Councilor Matt Schwartz, Interim City Manager Mark Achen, and SGR Consultant Mike Tanner. For the record, if any person who participated in the Executive Session believes that any substantial discussion of any matters not included in the motion to go into Executive Session occurred during the Executive Session, or that any improper action occurred during the Executive Session in violation of the Open Meetings Law, I would ask that you state your concerns for the record. No comments were made and Council proceeded with the Special Session.

Adjournment: Mayor Hagan called for any further discussion or motions on the Special Session agenda items, and hearing none, adjourned the Special Session meeting at 2:11 P.M.

Mayor

City Clerk

MAY 27, 2016

**CITY OF GUNNISON COUNCIL
SPECIAL SESSION MEETING MINUTES**

7:30 A.M.

The City Council Special Session meeting was called to order at 7:31 P.M., by Mayor Hagan with Councilors Drexel and Morrison present along with Interim City Manager Achen, City Clerk Davidson, and the press. Councilors Ferguson and Schwartz were absent due to personal business out of town. A Council quorum was present.

Action to Select Finalists for City Manager Position Vacancy.

Councilor Drexel moved and Councilor Morrison seconded the motion to consider the following three individuals as finalists for the vacant City Manager position: Chuck Reid, Kathleen Sickles and Russ Forrest.

Roll call vote, yes: Drexel, Hagan, Morrison. Motion carried.

Roll call vote, no: None.

Councilor Morrison stated they started with 51 applicants and after SGR did the thorough background checks that helped in the finalists selection. She found the videos with the applicants answering questions to be very helpful. Councilor Drexel stated that SGR left no stone unturned. Mayor Hagan was thrilled with the strong applicant pool and is pleased with SGR's work on helping to narrow the field to this level.

Possible Action on Finalist Selection Process (if needed). Interim Manager Achen stated that the final intensive background investigations will be conducted on the finalists. The schedule for the three day interview period is being refined. Biographies of the finalists will be made emailed to him from SGR consultant Mike Tanner and then will be made available to the press and the public.

Adjournment: Mayor Hagan called for any further discussion on the Special Session agenda items, and hearing none, adjourned the Special Session meeting at 7:39 A.M.

Mayor

City Clerk

JUNE 13, 2016

CITY OF GUNNISON COUNCIL
SPECIAL SESSION MEETING MINUTES

ACTION: To be Approved 06/28/2016

9:00 A.M.

The City Council Special Session meeting was called to order at 9:00 A.M. by Mayor Hagan with Councilors Drexel, Morrison and Schwartz present along with Interim City Manager Achen, City Clerk Davidson, Parks & Recreation Director Ampietro, Finance Director Cowan, three City Council applicants, and the press. A Council quorum was present.

Select New City Councilor with Term to Expire May 22, 2017. Mayor Hagan called for nominations from Council to fill the vacant term on Council. Councilor Drexel nominated Jim Gelwicks and Councilor Schwartz nominated Andy Sovick.

Hearing no further nominations, Mayor Hagan closed the nominations and then called for discussion. Mayor Hagan stated he is impressed the City had so many good people show interest in serving on Council. They all had assets. Councilor Morrison concurred with the Mayor and thanked all four of the applicants. She reminded each applicant that if they weren't selected for this vacancy, they should consider running for office next spring. Councilor Drexel agreed with the Mayor's comments as well. The City would be justified in selecting any of the four since they are all good candidates. He nominated Jim Gelwicks because of his experience. Councilor Drexel also stated that a big part of Council is dealing with the mundane issues, they are important as well. Councilor Schwartz concurred that all the applicants were good candidates for the vacancy.

Councilor Schwartz moved and Councilor Morrison seconded the motion to appoint Andy Sovick to the City Council Vacancy with a term to expire May 22, 2017. During discussion, Councilor Drexel stated he would be voting no. He isn't against Andy, but feels that Jim Gelwicks has more much-needed experience.

Roll call vote, yes: Hagan, Morrison, Schwartz. Motion carried.

Roll call vote, no: Drexel.

Executive Session; Pursuant to C.R.S. §24-6-402(4)(f)(1) To discuss personnel matters except if the employee who is the subject of the session has requested an open meeting, or if the personnel matter involves more than one employee, all of the employees have requested an open meeting.

Councilor Drexel moved and Councilor Morrison seconded the motion to go into Executive Session to discuss personnel matters, except if the employee who is the subject of the session has requested an open meeting, or if the personnel matter involves more than one employee, all of the employees have requested an open meeting.

Roll call vote, yes: Hagan, Morrison, Schwartz, Drexel. So carried.

Roll call vote, no: None.

Council went into Executive Session at 9:07 A.M. and the public left the Council Chambers.

Council returned to open Special Session meeting at 9:37 A.M. The Mayor stated the time is now 9:37 A.M. and the Executive Session has been concluded. The participants in the Executive Session were myself, Mayor Richard Hagan, Mayor Pro Tem Robert Drexel, Councilor Leia Morrison, Councilor Matt Schwartz, Interim City Manager Mark Achen, City Clerk Gail Davidson, Parks & Recreation Director Dan Ampietro and Finance Director Ben Cowan. For the record, if any person who participated in the Executive Session believes that any substantial discussion of any matters not included in the motion to go into executive session occurred during the executive session, or that any improper action occurred during the executive session in violation of the Open Meetings Law, I would ask that you state your concerns for the record. No one had concerns.

Return to Open Session and Direct City Staff on Personnel Issues.

Councilor Schwartz moved and Councilor Morrison seconded the motion to direct Staff to work on a resolution regarding future hiring of City employee-related individuals, to approve the hiring of Maxx Chandler under the conditions discussed during the Executive Session, and to approve the hiring of Adam Engleman, Taylor McDonald, Lilly Westbay, Brady Wilson and Bill Dowis.

Roll call vote, yes: Morrison, Schwartz, Drexel, Hagan. So carried.

Roll call vote, no: None.

Adjournment: Mayor Hagan called for any further discussion on the Special Session agenda items, and hearing none, adjourned the Special Session meeting at 9:43 A.M.

Mayor

City Clerk

JUNE 14, 2016

CITY OF GUNNISON COUNCIL

4:35 P.M.

SPECIAL SESSION MEETING MINUTES

Pursuant to Section 5.2 of the City of Gunnison Municipal Home Rule Charter, this Special Session meeting was called on June 13, 2016, by Mayor Richard Hagan in writing to City Clerk Gail A. Davidson to conduct an Executive Session to receive input on the three City Manager vacancy finalists.

Following a Work Session meeting, the City Council Special Session meeting was called to order at 4:39 P.M. by Mayor Hagan with Councilors Drexel, Morrison, Schwartz and Sovick present along with Interim City Manager Achen, City Clerk Davidson, SGR Recruiting Consultant Mike Tanner, and the following Community Member Panelists: Wayne Caska, Mike Darnell, Steve Williams, Steve Moorhouse, Joellen Fonken, Brad Baca, Chris Dickey, Frank Kugel and Anne Hausler. A Council quorum was present

Executive Session; Pursuant to C.R.S. §24-6-402(4)(f)(1) To discuss personnel matters except if the employee who is the subject of the session has requested an open meeting, or if the personnel matter involves more than one employee, all of the employees have requested an open meeting.

Councilor Morrison moved and Councilor Schwartz seconded the motion to go into Executive Session to discuss personnel matters, except if the employee who is the subject of the session has requested an open meeting, or if the personnel matter involves more than one employee, all of the employees have requested an open meeting; and for Council to receive input from the Community Member Panelists on the three City Manager vacancy finalists.

Roll call vote, yes: Drexel, Hagan, Morrison, Schwartz, Sovick. So carried.

Roll call vote, no: None.

Council went into Executive Session at 4:39 P.M. and the public left room.

Council returned to open Special Session meeting at 5:40 P.M. The Mayor stated the time is now 5:40 P.M. and the Executive Session has been concluded. The participants in the Executive Session were himself, Mayor Richard Hagan, Mayor Pro Tem Robert Drexel, Councilor Leia Morrison, Councilor Matt Schwartz, Councilor Andy Sovick, Interim City Manager Mark Achen, City Clerk Gail Davidson, SGR Recruiting Consultant Mike Tanner, and Community Member Panelists: Wayne Caska, Mike Darnell, Steve Williams, Steve Moorhouse, Joellen Fonken, Brad Baca, Chris Dickey, Frank Kugel and Anne Hausler. For the record, if any person who participated in the Executive Session believes that any substantial discussion of any matters not included in the motion to go into executive session occurred during the executive session, or that any improper action occurred during the executive session in violation of the Open Meetings Law, I would ask that you state your concerns for the record. No one had concerns.

Return to Open Session.

Council thanked all of the Community Member Panelists for taking time out of their busy days to meet with the City Manager finalists and then give their input to Council on this important decision.

Adjournment: Mayor Hagan closed the Special Session at 5:41P.M.

Mayor

City Clerk

JUNE 15, 2016

CITY OF GUNNISON COUNCIL

8:00 A.M.

SPECIAL SESSION MEETING MINUTES

Pursuant to Section 5.2 of the City of Gunnison Municipal Home Rule Charter, this Special Session meeting was called on June 13, 2016, by Mayor Richard Hagan in writing to City Clerk Gail A. Davidson for the purpose of interviewing the finalists for the City Manager Vacancy during an Executive Session.

The City Council Special Session meeting was called to order at 8:00 A.M. by Mayor Hagan with Councilors Drexel, Morrison, and Schwartz present along with SGR Consultant Mike Tanner, Interim City Manager Achen, and City Clerk Davidson. Councilor Sovick was absent at the start of the meeting due to personal business. A Council quorum was present

Interview Process:

City Council discussed the interview process they want to follow and the questions that will be asked of the three City Manager vacancy finalists.

Executive Session; Pursuant to C.R.S. §24-6-402(4)(f)(1) To discuss personnel matters except if the employee who is the subject of the session has requested an open meeting, or if the personnel matter involves more than one employee, all of the employees have requested an open meeting.

Councilor Schwartz moved and Councilor Drexel seconded the motion to go into Executive Session to discuss personnel matters, except if the employee who is the subject of the session has requested an open meeting, or if the personnel matter involves more than one employee, all of the employees have requested an open meeting.

Roll call vote, yes: Drexel, Hagan, Morrison, Schwartz. So carried.

Roll call vote, no: None.

Council went into Executive Session at 8:35 A.M. The City Clerk left the meeting.

Return to Open Session.

Council returned to open Special Session meeting at 12:50 P.M. The City Clerk returned to the meeting. The Mayor stated the time is now 12:50 P.M. and the Executive Session has been concluded. The participants in the Executive Session were himself, Mayor Richard Hagan, Mayor Pro Tem Robert Drexel, Councilor Leia Morrison, Councilor Matt Schwartz, Councilor Andy Sovick (who arrived after the start of the meeting), SGR Consultant Mike Tanner, Interim City Manager Mark Achen, City Clerk Gail Davidson for part of the meeting, and City Manager Finalists Katie Sickles, Chuck Reid and Russ Forrest, also for portions of the meeting. For the record, if any person who participated in the Executive Session believes that any substantial discussion of any matters not included in the motion to go into Executive Session occurred during the Executive Session, or that any improper action occurred during the Executive Session in violation of the Open Meetings Law, I would ask that you state your concerns for the record. No one had concerns.

Councilor Schwartz moved and Councilor Drexel seconded the motion to direct the contract negotiating team to enter into negotiations with the City Manager finalist discussed during the Executive Session.

Roll call vote, yes: Hagan, Morrison, Schwartz, Sovick, Drexel. So carried.

Roll call vote, no: None.

Adjournment: Mayor Hagan closed the Special Session at 12:51 P.M.

Mayor

City Clerk

JUNE 21, 2016

CITY OF GUNNISON COUNCIL

8:30 P.M.

SPECIAL SESSION MEETING MINUTES

Pursuant to Section 5.2 of the City of Gunnison Municipal Home Rule Charter, this Special Session meeting was called on June 20, 2016, by Mayor Richard Hagan in writing to City Clerk Gail A. Davidson.

The City Council Special Session meeting was called to order at 8:39 P.M. by Mayor Hagan with Councilors Drexel, Morrison and Schwartz present along with Interim City Manager Achen, City Clerk Davidson, and Finance Director Cowan. Councilor Sovick was absent. A Council quorum was present.

Executive Session; Pursuant to C.R.S. §24-6-402(4)(e) the purpose of which is for determining positions relative to matters that may be subject of negotiations; developing strategies for negotiations; and instructing negotiators.

Councilor Morrison moved and Councilor Schwartz seconded the motion to go into Executive Session the purpose of which is pursuant to C.R.S. §24-6-402(e) for determining positions relative to matters that may be subject of negotiations; developing strategies for negotiations; and instructing negotiators.

Roll call vote, yes: Drexel, Hagan, Morrison, Schwartz. So carried.

Roll call vote, no: None.

Council went into Executive Session at 8:40 P.M.

Council returned to open Special Session meeting. The Mayor stated the time is now 9:29 P.M. and the Executive Session has been concluded. The participants in the Executive Session were himself, Mayor Richard Hagan, Mayor Pro Tem Robert Drexel, Councilor Leia Morrison, Councilor Matt Schwartz, City Attorney Kathy Fogo, Interim City Manager Mark Achen, City Clerk Gail Davidson and Finance Director Ben Cowan. For the record, if any person who participated in the Executive Session believes that any substantial discussion of any matters not included in the motion to go into Executive Session occurred during the Executive Session, or that any improper action occurred during the Executive Session in violation of the Open Meetings Law, I would ask that you state your concerns for the record. No one had concerns.

Adjournment: Mayor Hagan closed the Special Session at 9:31 P.M.

Mayor

City Clerk



Memorandum

To: City Council
From: Ben Cowan
Date: 6/23/2016
Re: Handbook Revisions, Standby Policy and Disciplinary Guidelines

Please find attached the final version of the Employee Handbook with recommended changes from the Mountain States Employers Council as well as the many discussions with the Management Staff. It has been reviewed by the Employment Law Services and Human Resource Services departments for employment law and human resource considerations.

Below is a quick synopsis of the significant changes.

- 1) **DISCLAIMER:** The reference to part-time and temporary agreements has been removed from the Disclaimer. One of the major premises of the employee handbook is that employment at the City is at-will. Referencing employee agreements is not advisable because the Handbook shouldn't be construed as an agreement or contract of any kind. This change does not affect our ability to enter into other agreements as appropriate, but they have no bearing on these policies.
- 2) **SECTION 1, 1.4, B. EEO/HARASSMENT COMPLAINT PROCEDURE:** Reports of Equal Employment Opportunity/Harassment complaints can only be received by Human Resources or those specifically trained in the protocol for investigating these types of claims. If "Department Head" is left in the policy, we will need to ensure all department heads have been put through the Equal Employment Opportunity Commission's Training Institute on EEO laws, for a fee.
- 3) **SECTION 2, 2.2 HIRING, PROMOTION, AND TRANSFERS:** The City Manager, as Personnel Director, should ensure that best practices are followed in acquiring a qualified candidate pool and ultimately attaining the most qualified candidate.
- 4) **SECTION 2, 2.4 PERFORMANCE APPRAISAL:** The word "will" has been removed because we don't always appraise employees at six months. If someone was disciplined or terminated, they could argue that the supervisor failed to perform that requirement. This change doesn't preclude a supervisor from performing a six-month evaluation if desired.
- 5) **SECTION 2, 2.5 DRUG FREE WORKPLACE:** This wording is suggested by MSEC as a shorter statement leading to a longer stand-alone policy still under review. That policy was last reviewed by an attorney in 1989. Under certain circumstances, the Colorado Employment Security Act provides that employees who test positive for drugs or alcohol in their system during working hours are disqualified from receiving benefits upon discharge. For this provision of the statute to apply, the employer must have a written policy with a testing provision or be required to test by statute or regulation. A good reason to make the drug testing policy a stand-alone document is the importance of providing notice to employees that the employer may require a drug test in certain situations. Because of the invasive aspect of

drug testing, a stand-alone policy, acknowledged by the employee, goes further toward proving notice than a policy buried in the middle of a lengthy handbook.

- 6) **SECTION 2, 2.8 REPORTING ACCIDENTS:** When you can require an employee returning from an injury to submit to a medical examination is only allowed in very certain circumstances. The ADA only allows these types of examinations if it is job related and consistent with business necessity, which means that you have evidence indicating the employee is (1) unable to perform the essential functions of the position, or (2) the employee will be a direct threat to himself or others.
- 7) **SECTION 2, 2.9 WORKERS' COMPENSATION PROCEDURES:** Gunnison Valley Family Physicians is no longer accepting workers' compensation patients, and thus can no longer be listed as a designated provider. A stand-alone policy to satisfy Return to Work guidelines that allow for reduced workers' compensation insurance premiums is being developed. The shorter verbiage in this handbook simply states modified duty will be provided when available.
- 8) **SECTION 3, OVERTIME COMPENSATION:** This is one of two substantive changes in the proposed amendments that will affect departments in a tangible way. The current policy allows for vacation leave, sick leave, or other paid leave used prior to a requested call-in will be calculated towards overtime. Leave after a call-in is not eligible for overtime. This causes a great deal of confusion since there are arguments about what is considered a "call-in" and why does someone taking a vacation before getting "called in" get overtime, whereas someone taking a vacation afterward in the same period does not. The new policy simplifies the calculation of overtime based on the type of leave rather than the timing of leave and simply states, "Vacation, compensatory time used and personal leave will be considered hours worked for overtime calculation purposes".
- 9) **SECTION 3, 3.5 PAYCHECKS, 3.9 ELIGIBILITY FOR BENEFITS & APPENDIX A:** These items change frequently and, rather than constantly having the plan out-of-date, the suggested verbiage provides blanket verbiage that will be more generic and enduring.
- 10) **SECTION 4, 4.2 ACCRUAL OF PAID LEAVE:** Employees hired prior to 1991 are already at the maximum rate of accrual, so the grandfathering verbiage became unnecessary in 2011. There are no longer any part-time employees that were hired prior to 2012 that require the grandfathering clause for prorated accruals. Only employees working 30 hours or more are eligible for leave benefits.
- 11) **SECTION 4, 4.5 PAID HOLIDAYS:** Paying employees at 1.5 times their regular rate when working on a designated holiday is not overtime, it is simply differential pay during a holiday. Using the overtime language causes confusion.
- 12) **SECTION 4, 4.11, C. HAZMAT PAY:** The City does not have a choice of whether an employee will be paid at overtime rates if working over 40 hours in the pay period. The city must pay at 1.5 times the regular rate of pay if an employee works overtime.
- 13) **SECTION 4, 4.12 A. FUNERAL LEAVE:** This change brings the policy in alignment with current practice. Many close relatives do not have a formal funeral, but the employees are still given leave to be present at the time of death or visit for a last goodbye. The overall leave is still limited to 3 days (or 5 in special circumstances).
- 14) **SECTION 5, DISCIPLINARY ACTION:** Spelling out the disciplinary action procedures as a part of policy for employees can expose the City to legal damages if a step was inadvertently missed. It can also imply that that someone will be counseled, reprimanded etc...prior to termination which may not be true. The removed sections will be retained as separate guidelines.
- 15) **SECTION 5, 5.5 RESIGNATION:** Requesting an amount of time when employees resign can constitute an employment agreement and negate the at-will status.
- 16) **SECTION 5, 5.8 RETURN OF PROPERTY:** This verbiage is not sufficient. A signed authorization must be gathered in advance of issuing employees' property, advance wages etc. for a payroll deduction to be legal.

- 17) **SECTION 8, 8.2 EMPLOYMENT OF RELATED PERSONS:** This change is the second of the two substantive changes to the Handbook. The requested change aligns the policy with the language in the Charter. The current policy differs from the Charter by not including spouses or relations by virtue of adoption in the consideration of nepotism. The Handbook is also currently more restrictive in defining the policy based on all employees, not just employees with the authority to hire, fire or supervise their relatives. The policy includes some additional language to express the purpose of the policy as well as how to handle the situation when a change in position occurs or when current employees marry.
- 18) **SECTION 8, 8.3 OUTSIDE EMPLOYMENT:** This verbiage notifies the employee that working through a temporary agency is still considered employment with the City of Gunnison and can't be used as a method to avoid paying overtime or determining eligibility for healthcare. The verbiage retains the avoidance of conflicts of interest and interference with the employee's job.
- 19) **SECTION 8, 8.11 B. SEARCHES:** As a public employer, the City's ability to search an employee is governed by the 4th Amendment protections against unreasonable searches and seizures. Conducting searches at any time for any reason may violate this protection depending on the situation, so the additional language further lowers an employee's expectation of privacy and avoid any issues if a search is necessary. Any time a search is conducted, MSEC should be contacted for guidance.
- 20) **SECTION 8, 8.14 2. REQUESTED TRAINING:** The City does not have discretion in paying employees for requested training. Employees attending training is compensable unless the training meets the four included criteria, which is rare because employees usually do not request training that is unrelated to their work.

In addition to these Handbook changes, we would like the Council to consider the adoption of the following stand-alone policies:

- 1) **Standby Policy** – This policy was removed from the Handbook years ago since it only applies to a few water and electric division employees. The policy is still in use, but we would like to have it formally included as a reference for those employees it affects.
- 2) **Disciplinary Guidelines** – There is no change from the Disciplinary Policy that was removed from the Employee Handbook (see above comments on #13). This language is still helpful for department head use, but should not be stated in the form of a policy.

We are currently in the process of updating the Drug and Alcohol Policy. The suggested policy is quite lengthy compared to what we currently have since it was last updated in 1989. It will require some discussion time and potentially some training, so it will be brought forward at a later date.

Finally, staff will be requesting a future review of a Return to Work Policy, currently in draft form. Most departments already offer light duty to injured workers, but we would like to adopt a formal policy to receive a variety of benefits from this policy for both the City and employees.

REQUESTED ACTION:

- 1) A motion to adopt the revised City of Gunnison Employee Handbook, dated this 28th day of June, 2016, and replace all previous versions of the City of Gunnison Employee Handbook.
- 2) A motion to adopt the City of Gunnison Standby Policy, dated this 28th day of June, 2016.
- 3) A motion to accept the City of Gunnison Disciplinary Guidelines, dated this 28th day of June, 2016.



Employee Handbook

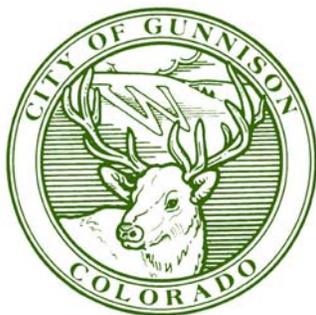
Adopted by City Council June 28, 2016

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Welcome to our City from the City Manager

Dear Employee,

Welcome to the City of Gunnison. We're excited you have decided to join us and hope our association will be mutually beneficial and rewarding. Our intent is to provide a safe, positive and productive workplace. Employees of our organization are the heart and soul of the services we provide. Creating a professional environment allows us to be successful. This Handbook provides a summary of the City of Gunnison guidelines for the workplace.

It is important that all employees know our personnel guidelines. The Handbook introduces you to the City of Gunnison and acquaints you with the policies and benefits which apply to our employees. One of your first responsibilities will be to read this Handbook. By doing so, you will become familiar with our guiding principles more quickly. We also hope the Handbook will become a useful reference for you, and we encourage you to keep it handy while you are getting to know the City.

The City of Gunnison's success depends upon the quality of our relationships with our peers, our citizens, our policy makers and the general public. Our citizens' impression of the city is greatly influenced by the people who serve them. In other words, you are our ambassadors! The more goodwill you promote, the more our citizens will respect and appreciate you and our beautiful city. Our expectations of each employee are:

- Act professionally and treat the public in a courteous and respectful manner. We are a customer oriented business and expect our behavior to reflect this priority.
- Follow up on questions promptly, provide businesslike responses to requests and perform your duties in a helpful manner.
- Ensure you maintain a safe work environment for yourself and others around you.
- Always treat your co-workers with courtesy, dignity and respect.
- Finally, take pride in your work and enjoy doing your very best.

I wish you the very best for your success and happiness in your employment with the City of Gunnison. The City encourages your individual achievement. You are now part of a team that you can be proud you have joined. It is an honor for us to call you a City of Gunnison employee. Thank you for taking this step in serving our community.

Sincerely,

Mark Achen
Interim City Manager

*******IMPORTANT NOTICE and DISCLAIMER*******

EMPLOYMENT WITH THE CITY OF GUNNISON IS AT-WILL. NEITHER THE EMPLOYEE NOR THE EMPLOYER IS COMMITTED TO AN EMPLOYMENT RELATIONSHIP FOR A FIXED PERIOD OF TIME. THE LANGUAGE USED IN THIS HANDBOOK AND ANY VERBAL STATEMENTS MADE BY MANAGEMENT ARE NOT INTENDED TO CONSTITUTE A CONTRACT OF EMPLOYMENT, EITHER EXPRESS OR IMPLIED, NOR IS THERE A GUARANTEE OF EMPLOYMENT FOR ANY SPECIFIC DURATION. THE EMPLOYEE OR MANAGEMENT HAS THE RIGHT TO TERMINATE THE EMPLOYMENT AT ANY TIME, FOR ANY REASON. NO REPRESENTATIVE OF THE CITY OF GUNNISON, OTHER THAN THE CITY MANAGER, HAS AUTHORITY TO ENTER INTO A CONTRACT OF EMPLOYMENT FOR ANY SPECIFIED PERIOD.

THE CONTENTS OF THIS HANDBOOK ARE SUMMARY GUIDELINES FOR EMPLOYEES AND THEREFORE ARE NOT ALL INCLUSIVE. THIS HANDBOOK SUPERSEDES ALL PREVIOUSLY ISSUED EDITIONS. THE ORGANIZATION RESERVES THE RIGHT TO SUSPEND, TERMINATE, INTERPRET OR CHANGE ANY OR ALL GUIDELINES MENTIONED, ALONG WITH ANY OTHER PROCEDURES, PRACTICES, BENEFITS, OR OTHER PROGRAMS OF THE CITY OF GUNNISON. THESE CHANGES MAY OCCUR AT ANY TIME, WITH OR WITHOUT NOTICE.

SECTION 1 FEDERAL EMPLOYMENT MANDATES

1.1 AMERICAN'S WITH DISABILITIES ACT (ADA) AND RELIGIOUS ACCOMMODATION

The City will make reasonable accommodation for qualified individuals with known disabilities and employees whose work requirements interfere with a religious belief unless doing so would result in an undue hardship to the City or cause a direct threat to health or safety.

1.2 UNLAWFUL EEO HARASSMENT

- A. The City of Gunnison is dedicated to the principles of Equal Employment Opportunity Act. We prohibit unlawful discrimination against applicants or employees on the basis of age over 40, race, sex, color, religion, national origin, disability, or any other applicable status protected by federal, state or local law.
- B. Unlawful harassment includes verbal or physical conduct that has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment. Actions based on an individual's race, color, national origin, religion, disability, or any other legally protected characteristic will not be tolerated. Prohibited behavior includes but is not limited to the following:
 - (1) Written form such as cartoons, e-mail, posters, drawings, or photographs.
 - (2) Verbal conduct such as epithets, derogatory comments, slurs, or jokes.
 - (3) Physical conduct such as assault, or blocking an individual's movements.
- C. This policy applies to all employees including managers, supervisors, co-workers, and non-employees such as customers, clients, vendors, consultants, etc.

1.3 SEXUAL HARASSMENT

- A. Because sexual harassment raises issues that are to some extent unique in comparison to other harassment, the City of Gunnison believes it warrants separate emphasis.
- B. The City of Gunnison strongly opposes sexual harassment and inappropriate sexual conduct. Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature, when:

- (1) Submission to such conduct is made explicitly or implicitly a term or condition of employment;
 - (2) Submission to or rejection of such conduct is used as the basis for decisions affecting an individual's employment;
 - (3) Such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.
- C. All employees are expected to conduct themselves in a professional and businesslike manner at all times. Conduct which may violate this policy includes, but is not limited to, sexually implicit or explicit communications whether in:
- (1) Written form, such as cartoons, posters, calendars, notes, letters, e-mail;
 - (2) Verbal form, such as comments, jokes, foul or obscene language of a sexual nature, gossiping, or questions about another's sex life, or repeated unwanted requests for dates;
 - (3) Physical gestures and other nonverbal behavior, such as unwelcome touching, grabbing, fondling, kissing, massaging, and brushing up against another's body.

1.4 EEO/HARASSMENT COMPLAINT PROCEDURE

- A. If you believe there has been a violation of the EEO policy or harassment based on the protected classes outlined above, including sexual harassment, please use the following complaint procedure. The City of Gunnison expects employees to make a timely complaint to enable the City of Gunnison to investigate and correct any behavior that may be in violation of this policy.
- B. Report the incident to Human Resources who will investigate the matter and take corrective action. Your complaint will be kept as confidential as practicable. If you prefer not to go to any of these individuals with your complaint, you should report the incident to the City Manager.
- C. If the City of Gunnison determines that an employee's behavior is in violation of this policy, disciplinary action will be taken against the offending employee, up to and including termination of employment.
- D. The City of Gunnison prohibits retaliation against an employee for filing a complaint under this policy or for assisting in a complaint investigation. If you perceive retaliation for making a complaint or your participation in the investigation, please follow the complaint procedure outlined below. The situation will be promptly investigated.

SECTION 2 PERSONNEL ADMINISTRATION

2.1 PERSONNEL DIRECTOR

In keeping with the terms and conditions of the City of Gunnison Municipal Home Rule Charter, the City Manager is the Chief Administrative Officer of the City, and acts as Personnel Director of the City. With City Council's approval, the City Manager establishes appropriate personnel rules and regulations governing officers and employees of the City.

2.2 HIRING, PROMOTION, AND TRANSFERS

- A. The Hiring Process, in the City's sole discretion, consists of an application review, oral interview, written testing, practical testing, background investigation, or a combination thereof intended to determine whether or not the applicant meets the minimum qualifications for appointment and the degree to which the applicant exceeds the minimum qualifications. The minimum qualifications are the combination of knowledge, experience, skills, abilities, education, and/or certifications specified in the job description for the position applied for that constitute the minimum requirements for that position. The hiring process applies to full-time employment opportunities. Vacancies, not filled by promotion or transfer, are announced internally and publicly at the same time. The Department Head will be responsible for establishing the range of advertising, (local, area, state, and regional). Closure for applications must be a minimum of one week after publication of the announcement. Internal applicants (current full-time, part-time, or temporary employees) who meet the minimum qualifications established in the job description may be included in the interview process. Department heads are responsible for the written development and implementation of the selection process, subject to the City Manager's approval. Department heads may elect to hire directly from a previously established list provided the list is not more than six months old.
- B. At times, there may be position openings within the City that allow employees the opportunity to advance their careers by being promoted. A promotion is defined as the movement of a full or part-time employee from a position of one class to a position of another class having greater or increased responsibilities and higher entry level compensation. If an employee meets the qualifications in the job description and has demonstrated the necessary combination of knowledge, experience, skills, abilities, education and/or certifications through past work history with the City of Gunnison, the employee may be considered for a promotion, upon the approval of the City Manager. Vacancies are advertised within the City for a minimum of five working days. All candidates for promotions are required to participate in an application review, oral interview, written testing, practical testing, background investigation, or combination thereof. Promotion does not affect the promoted employee's benefits accrual. If the position is not filled through the promotion process, then the hiring process, as outlined in Section 2.2. A. will be followed.

It should be noted that if the employee held a position prior to promotion that provided a special benefit(s) and the new appointment does not provide for that benefit(s), the employee will be informed of the benefit(s) loss prior to the appointment.

All persons promoted will be subject to the residency requirements as applicable and as stated in Section 8.4 of this Handbook.

- C. A transfer is defined as the movement of a full or part- time employee from a position of one class to a position of another class having a similar level of responsibilities and/or entry level compensation. At times there may be position openings within the City that allow employees the opportunity to transfer. If an employee meets the qualifications in the job description and has demonstrated the necessary combination of knowledge, experience, skills, abilities, education and/or certifications through past work history with the City of Gunnison, the employee may be considered for a transfer. Vacancies are advertised within the City for a minimum of five working days. All candidates for transfer are required to participate in an application review, oral interview, written testing, practical testing, background investigation, or combination thereof. Transfer does not affect the transferred employee's benefits accrual. If the position is not filled through the transfer process, the hiring process, as outlined in Section 2.2.A, will be followed.

It should be noted that if the employee held a position prior to transfer that provided a special benefit(s) and the new appointment does not provide for that benefit(s), the employee will lose such benefit(s) prior to the appointment.

All persons transferred are subject to the residency requirements as applicable and as stated in Section 8.4 of this Handbook.

2.3 PERFORMANCE APPRAISAL

All employees serve at will. Supervisors will continually observe the employee's job performance. Communication between the employee and the employer is a key element in the successful operation of the City government. Supervisors and employees shall meet and discuss expectations, needed resources, and job performance. New hires and transfers may be evaluated after six months in the position. All other employees will be regularly evaluated a minimum of once per year. The timing of this process is critical as it is related to the pay plan. Regular evaluations need to be completed during the last quarter of the year.

2.4 RE-EMPLOYMENT

An employee who has separated with a good work record may be considered for re-employment. The City Manager may require the interested employee participate in a selection procedure. This procedure may include any of the screening, testing, and selection

techniques normally utilized by the City. The applicant may be denied consideration if it is determined that he/she is not qualified for the position applied for. The re-employed person's salary will be determined under the existing guidelines of the City's Pay Plan. Re-employed persons are considered new employees for the purpose of determining pay and benefits.

2.5 DRUG FREE WORKPLACE

- A. The City of Gunnison is committed to a safe, healthy and productive work environment for all employees, free from the effects of substance abuse. Abuse of alcohol, drugs, and controlled substances alters employee judgment resulting in increased safety risks, employee injuries, and faulty decision-making.
- B. To ensure a safe and productive work environment the City prohibits the use, sale, dispensation, manufacture, distribution or possession of alcohol, drugs or controlled substances on any City premises or worksites. This prohibition includes City owned vehicles, or personal vehicles being used for City business or parked on City property.
- C. No employee shall report to work or be at work with alcohol or with any detectable amount of prohibited drugs in the employee's system. A detectable amount refers to the standards generally used in workplace drug and alcohol testing.
- D. Employee shall, when drugs are prescribed by a medical professional, inquire of the prescribing professional whether the drug prescribed has any side effects which may impair the employee's ability to safely perform the employee's job duties. If the answer from the medical professional is yes, the employee shall obtain a statement from the medical professional indicating any work restrictions and their duration. The employee shall present that statement to his or her supervisor prior to going on duty.
- E. Illegal use of drugs off duty and off City premises or work sites is not acceptable. It can affect on-the-job performance and the confidence of the public in the City's ability to meet its responsibilities.
- F. See the City of Gunnison Drug and Alcohol Policy for more policy details.

2.6 SMOKING

It is our objective to provide a smoke-free work environment within our organization. In compliance with the Colorado Clean Air Act, smoking is prohibited within all areas of City owned buildings, vehicles and equipment. This restriction applies to all employees and visitors, at all times, including non-business hours.

2.7 HEALTH AND SAFETY

It is the City of Gunnison's goal to maintain a high standard of employee health and safety. To achieve these high standards, we try to maintain a safe, healthy, efficient, and productive work environment. Toward this end, we provide training, safeguards, and programs to prevent accidents, to prevent damage to property, and to promote safety.

Employees are responsible to abide by all applicable safety rules and regulations contained in the City of Gunnison's Safety Manual. We expect employees to do their job in a manner that ensures their personal safety and the safety of fellow employees.

2.8 REPORTING ACCIDENTS AND INJURIES

Employees who suffer work-related injuries or illnesses, despite how minor, must report them immediately to their supervisors. The supervisor in turn should submit any injury information to the City's Finance Department within 24 hours of the occurrence of the injury. To ensure Worker's Compensation eligibility, proper reporting procedures must be followed. Any employee who suffers any work-related injury must also, at the sole discretion of the City, submit to and undergo a medical examination in order to return to work if the employee is (1) unable to perform the essential functions of the position, or (2) the employee will be a direct threat to himself or others. With reasonable suspicion, alcohol testing may be performed, and a drug test may be required within 24 hours of the incident at a medical care provider selected by the City. Any employee failing or refusing to do so may face disciplinary action up to and including termination. The City will arrange and pay for the examination and testing as well as the reasonable costs of transporting the injured or sick employee to a physician or hospital, if required.

2.9 WORKERS' COMPENSATION PROCEDURES

- A. Within 24 hours of a work-related accident or injury (emergencies and traumas excepted) the employee must file an "Employee's Written Notice of Claim" form with a supervisor, manager, or the finance department. These forms are available in each department office. *Failure to file the signed and dated claim form with the City within 4 working days will cause benefits to be reduced for each day the report was not filed.* Any injury should be reported immediately, even if it seems very minor. Should complications arise and a claim has not been filed on a timely basis, benefits may be reduced.
- B. As soon after the accident as possible, the supervisor must fill out an "Accident Investigation" form. This form should be filed at the time the claim is filed with the finance department. However, a claim will not be delayed because the accident investigation form has not been received.

- C. Immediately upon notification to the City of a work related injury, the Finance Department will file an "Employer's First Report of Injury" form, with the City of Gunnison's workers' compensation insurance carrier. Copies of all forms will be filed in the employee's personnel file with the City Clerk's office upon initial notification to the insurance carrier.
- D. Any work-related accident needing medical attention must be addressed through the City of Gunnison's designated medical provider. The designated medical providers for the City of Gunnison are:

Gunnison Valley Health Family Medicine Clinic

707 N. Iowa St.
Gunnison, Colorado 81230
(970)641-2843

Lake City Area Medical Center

700 N. Henson
Lake City, Colorado 81235
(970) 944-2331

Town Clinic of Crested Butte

214 6th St., Ste. 1
Crested Butte, Colorado 81224
(970) 349-6749

If a designated provider is not seen first, medical expenses will not be paid until a designated provider has been seen. (Exceptions will be granted for emergency and trauma situations, along with "after hours" injuries when only the emergency room is available.) Should the injury require specialized medical attention, the designated provider or "primary physician" can refer the patient to the appropriate specialist.

- E. Wages during work-related injury:
 - (1) The first three scheduled shifts that an employee is not able to work due to a work-related injury will be paid by the City of Gunnison at 100% of regular wages (i.e. - regular hourly rate).
 - (2) Subsequent shifts will be compensated by the City's workers' compensation insurance provider at a rate of 66 2/3% of the regular wage.

F. Return to Work – Modified Duty

- (1) The City of Gunnison will make an earnest attempt to establish modified job duties, when feasible, for an employee with a work-related injury. The employee, supervisor, department head and human resources technician will work with the designated provider physician to approve tasks that meet medical restrictions.
- (2) See the City of Gunnison Return to Work Policy for details.

SECTION 3 EMPLOYEE STATUS - COMPENSATION – PAYROLL

3.1 EMPLOYEE STATUS

The City of Gunnison has various classifications of employees. Each particular classification depends upon the number of hours an employee is regularly scheduled to work each workweek, the nature of the duties, tasks, and authorities assigned, and the amount and method of payment for the work performed. For administrative purposes, the City classifies employees as follows:

- A. **Full-time Employee** - Full-time employees are those who are hired and regularly scheduled to work 30 or more hours each workweek and 52 workweeks each year. Any full-time employee working 40 or more hours per week is currently eligible for Discretionary Benefits as outlined in this Handbook. Any full-time employee working less than 40 hours per week is currently eligible for Discretionary Benefits as outlined in this Handbook on a prorated basis according to the number of hours budgeted per year.
- B. **Part-time Employee** - Part-time employees are those who are hired and regularly scheduled to work less than 30 hours per week. Part-time employees are not eligible for Discretionary Benefits as outlined in this Handbook.
- C. **Temporary Employee** - Temporary employees are persons hired to perform an irregular schedule and who agree to work on an as-needed or on-call basis. Temporary employees may work either full-time or part-time depending upon the requirements of the assignment. Temporary employees are not eligible for City Discretionary Benefits as outlined in this Handbook, except as otherwise required by the Patient Protection and Affordable Care Act (PPACA).
- D. **Exempt Employee** - Exempt employees are those employees not eligible for overtime pay. Employees classified as exempt receive a salary that constitutes full compensation for all hours worked.
- E. **Non-exempt Employee** - Non-exempt employees are generally paid by the hour and do not meet the exclusion criteria of exempt employees. Employees classified as non-exempt are eligible for overtime pay equal to 1½ times their regular rate of pay for each hour worked in excess of forty (40) hours in a workweek, with the exception of law enforcement and fire protection personnel covered by the Fair Labor Standards Act's section 207(K), who are eligible for overtime pay equal to 1 ½ times their regular pay rate for each hour worked in excess of eighty (80) hours in a work period.

3.2 PAY PERIODS AND BASIC WORK WEEK/PERIOD

- A. Pay periods are two week periods, extending from 12:01 A.M. Saturday through 12:00 Midnight the second Friday, inclusive.
- B. A basic work week is a fixed and regularly recurring period of 168 hours — seven consecutive 24-hour periods, beginning at 12:01 a.m. Saturday through 12:00 Midnight the following Friday, except for Police Department law enforcement officers and fire protection personnel covered by the Fair Labor Standards Act's section 207(K).
- C. A basic work period for Police Department law enforcement officers and fire protection personnel covered by the Fair Labor Standards Acts' section 207(K) begins with the first full shift of the pay period, (Saturday day shift), and continues fourteen (14) consecutive days.

3.3 OVERTIME COMPENSATION AND COMPENSATORY TIME

- A. Work is organized so that overtime is avoided whenever possible, and then should be kept to a minimum. Overtime must be approved in advance by the department head. This may take the form of direct consent each time or, alternatively, consistent application of guidelines approved by the department head. Timesheets that include overtime must have signed approval by the department head or their designee.
- B. The City has the authority to pay overtime, within the provisions of the adopted budget, at the rate of time and one-half in monetary consideration or at the rate of time and one-half in leave with pay (compensatory time) at the employee's discretion. Employees may accrue a maximum of 40 hours of compensatory time.
- C. It is the responsibility of the employee and the department head to insure that all compensatory time is "zeroed out" by the 15th day of December each year. Compensatory time off may not be carried over into the next year. It must be used or paid.
- D. Overtime pay will be calculated as follows:
 - (1) Excluding exempt employees, law enforcement officers and fire protection personnel, any hours worked in excess of 40 hours in the work week will be paid at one and one-half (1.5) times the employee's regular rate of pay. The work week begins at 12:00 a.m. on Saturday and ends at 11:59 p.m. on Friday.
 - (2) For police department law enforcement officers and fire protection personnel covered by the Fair Labor Standards Acts' section 207(K), any hours worked in excess of 80 hours during the 14-day work period will be paid at one and

one-half (1.5) times the employee's regular rate of pay. The work week begins at 12:00 a.m. on Saturday and ends at 11:59 p.m. on Friday.

- (3) Vacation, compensatory time used and personal leave will be considered hours worked for overtime calculation purposes. Sick time, holiday time and any other leave not otherwise included above (funeral, jury duty, etc.) is not considered hours worked when calculating overtime and will only be paid at the employee's regular rate of pay. If employees have questions about overtime calculation, they should contact Human Resources for additional information.

For example, an employee may schedule 8 hours of vacation time and work 35 additional hours in a workweek; the employee would receive one and one-half (1.5) times the regular rate of pay (i.e. "overtime") for three hours.

As another example, an employee may use 8 hours of sick time and work an additional 35 hours in a workweek. The employee will receive the regular rate of pay for 35 hours. The employee will have the choice to be paid for the 8 hours of sick time at their regular rate of pay or to reduce their sick leave request to 5 hours.

3.4 PAYROLL DEDUCTIONS

Only authorized and/or mandatory payroll deductions will be made from the employee's payroll check. If you believe an improper deduction has been made, you should immediately report this information to Human Resources.

3.5 PAYCHECKS

- A. Paychecks reflect compensation for regular and overtime hours, standby pay, holiday pay, vacation pay, sick leave pay, and compensation for other paid and unpaid leaves of absence.
- B. Employees are paid every other Wednesday. If the regular payday occurs on a holiday, the payday is the last working day prior to the holiday.
- C. Paychecks are normally issued no later than 3:00 P.M. the Wednesday following the end of the pay period.
- D. When a payday occurs on a holiday, paychecks are normally issued no later than 3:00 P.M. on the preceding day.
- E. On each payday, employees receive a statement showing gross pay, deductions and net pay.

- F. Automatic deductions such as additional tax withholding, contributions to voluntary benefit plans and individual savings plans may be arranged through the Finance Department.
- G. Employees may choose the option of having paychecks automatically deposited to the employee's bank account(s).
- H. Paychecks that are lost or destroyed by the employee may be reissued once the employee has reimbursed the City for any stop-payment fees.

3.6 REPORTING AND RECORD KEEPING

With the exception of exempt status employees, the City is required by law to keep a record of regular hours worked, overtime, standby, sick leave accrual and usage, vacation accrual and usage, personal day accrual and usage, and holidays. Employees are required to know their departmental procedures for time sheet reporting and collection. The department head submits completed payroll time sheets to the Finance Department no later than 10:00 a.m. on the Monday following the end of each pay period.

Information for the payroll time sheets will be obtained from time cards or departmental hourly records which are to be initialed by the appropriate employee, supervisor, and department heads. Employees are responsible for completing the time cards by accurately reporting all hours worked, and all holiday, vacation hours and absences from work. Falsification of time cards will not be tolerated and may result in disciplinary action.

3.7 MEAL PERIODS

- A. Meal periods are currently provided to relax and refresh the employee for the day's work. Since each department's and employee's needs are different, employees should ask their supervisor for the meal schedules for the department.
- B. Generally, meal periods are 30 - 60 minutes in length and are counted as unpaid work time.
- C. Meal periods must be taken.

3.8 REST PERIODS

- A. Employees may receive a fifteen (15) minute rest period for each four (4) hour period of continuous work.
- B. Rest periods are part of the paid work shift. An employee is not compensated in additional money or time off for not taking a scheduled rest period.

- C. Rest periods are to be scheduled by the department head or supervisor.
- D. Employees must be at their assigned work area at the beginning and end of the rest period.

3.9 ELIGIBILITY FOR BENEFITS

Full-time employees are currently eligible for medical, dental, optical and life insurance; City retirement contribution; City's 457 deferred compensation plans; Section 125 "cafeteria plan"; or any other City-sponsored benefit available through the payroll deduction plan. Eligibility for the insurance plan begins on the first day of the month following the full-time employee's hire date. See Human Resources for plan details.

SECTION 4 LEAVE

4.1 PAID VACATION LEAVE

- A. Full-time employees are eligible for paid vacation leave. Full-time employees who work an average of at least thirty hours per week are eligible for paid vacation leave as outlined in Section 4.2, Accrual of Paid Vacation Leave. Temporary employees are not eligible for paid vacation leave.
- B. Vacation is only available with the approval of the employee's supervisor and/or department head. Such approval may be based on scheduling needs of the department.
- C. For exempt and non-exempt employees, vacation leave is granted in not less than quarter-hour units.

4.2 ACCRUAL OF PAID VACATION LEAVE

Paid vacation leave accrual begins on the employee's most recent hire date.

- (1) For full-time employees who are regularly scheduled to work an average forty-hours per week, the following vacation accrual applies:
 - (a) In the first year through the fifth year of continuous employment, vacation accrues monthly every two weeks at a regular rate that provides one-hundred twenty (120) hours of vacation per year (4.62 hours per pay period).
 - (b) In the sixth year through the tenth year of continuous employment, vacation accrues every two weeks at a regular rate that provides one-hundred thirty-six (136) hours of vacation per year (5.23 hours per pay period).
 - (c) In the eleventh year through the fifteenth year of continuous employment, vacation accrues every two weeks at a regular rate that provides one-hundred sixty (160) hours of vacation per year (6.16 hours per pay period).
 - (d) In the sixteenth year through the twentieth year of continuous employment, vacation accrues every two weeks at a regular rate that provides two-hundred (200) hours of vacation per year (7.70 hours per pay period).
 - (e) After twenty years of continuous employment, vacation accrues every two weeks at a regular rate that provides two-hundred sixteen (216) hours of vacation per year (8.31 hours per pay period).

- (2) For full-time employees who are regularly scheduled to work an average thirty-hours per week, the following vacation accrual applies:
- (a) In the second year through the fifth year of continuous employment, vacation accrues every two weeks at a regular rate that provides ninety (90) hours of vacation per year (3.47 hours per pay period).
 - (b) In the sixth year through the tenth year of continuous employment, vacation accrues every two weeks at a regular rate that provides one hundred and two (102) hours of vacation per year (3.93 hours per pay period).
 - (c) In the eleventh year through the fifteenth year of continuous employment, vacation accrues every two weeks at a regular rate that provides one hundred thirty-two (132) hours of vacation per year (5.08 hours per pay period).
 - (d) In the sixteenth year through the twentieth year of continuous employment, vacation accrues every two weeks at a regular rate that provides one-hundred fifty (150) hours of vacation per year (5.77 hours per pay period).
 - (e) After twenty years of continuous employment, vacation accrues every two weeks at a regular rate that provides one-hundred sixty-two (162) hours of vacation per year (6.23 hours per pay period).

4.3 LIMITS OF ACCUMULATION OF VACATION

Vacation may be accrued to a limit of one and one-half (1-1/2) times the amount of actual vacation earned in the previous twelve (12) month period. Thereafter, vacation will not accrue until the employee is below the maximum allowable amount of accrued vacation.

4.4 VACATION PAY AT TERMINATION

Upon termination, eligible employees will be paid for any accrued but unused vacation.

4.5 PAID HOLIDAYS

- A. Full-time employees working an average of forty hours per week are currently eligible for paid holiday leave. Full-time employees who work an average of at least thirty hours per week are eligible for prorated paid holiday leave. Temporary employees are not eligible for paid holiday leave.

B. All City departments will be open for business with enough personnel scheduled to work so that the department can handle routine services except for the following days which have been designated as official paid holidays:

- | | |
|----------------------------|------------------------|
| New Year's Day | Columbus Day |
| Martin Luther King Jr. Day | Veteran's Day |
| President's Day | Thanksgiving Day |
| Memorial Day | Day-After Thanksgiving |
| Independence Day | Christmas Eve Day |
| Labor Day | Christmas Day |

C. A holiday is defined as an eight-hour day for full-time employees working an average of forty hours per week, and a six-hour day for full-time employees who work an average of thirty hours per week.

D. Changes in this schedule will be authorized only by the City Council.

E. When a holiday falls on a Saturday, the previous Friday will be designated as the official holiday. When a holiday falls on a Sunday, the following Monday will be designated as the official holiday, except for shift workers who will take the holiday as it falls.

F. Official holidays commence at the beginning of the first shift of the holiday and continue for twenty-four (24) hours.

G. Calculation of holiday pay:

- (1) When an eligible employee works on an official holiday, the employee will be paid at one and one-half (1.5) times the employee's regular rate of pay. Holiday hours may be scheduled off during the work week/work period earned.
- (2) When an ineligible employee is scheduled to work on an official holiday, the employee will be paid straight time for the hours worked.
- (3) When an employee is sick on an official holiday, the time will be considered a holiday.
- (4) When an official holiday falls during a paid absence, the day will be considered a holiday.
- (5) Holiday pay is available to full-time employees only provided the employee is in pay status the last regular shift to which the employee would have been assigned prior to the holiday and the first regular shift to which the employee would have been assigned following the holiday.
- (6) When an official holiday falls on a rotating shift-worker's regularly scheduled day off, the employee will receive holiday time. Holiday time will calculate toward total number of hours worked in the work week/work period and will

be calculated as any extra hours worked per overtime calculations. Holiday hours may be scheduled off during the work week/work period earned.

4.6 PAID SICK LEAVE

- A. Sick leave is available to full-time employees. Temporary employees are not eligible for sick leave.
- B. Sick leave accrual starts on the employee's most recent hire date. Full-time employees may utilize their accrued sick leave from their initial date of hire.
- C. Sick leave accrual figures are determined by each full-time employee's decision regarding personal days. If the personal day option is chosen, the sick leave accrual is 10 days (80 hours) per year for full-time employees working an average of 40 hours per week, and 7.5 days (60 hours) per year for full-time employees working an average 30 hours per week. If the personal day option is not chosen, sick leave accrual is 12 days (96 hours) per year for full-time employees working an average of 40 hours per week, and 9 days (72 hours) per year for full-time employees working an average 30 hours per week.
- D. Maximum accrual for sick leave is 720 hours.
- E. For exempt and non-exempt employees, sick leave is granted in not less than quarter-hour units.
- F. Sick leave does not accrue during a leave of absence without pay or during suspension.
- G. Sick leave may not be borrowed from anticipated future accrual.
- H. Authorization of Sick Leave:
 - (1) Department heads are responsible for authorizing sick leave. A department head may authorize sick leave for the following reasons:
 - (a) Sickness or injury of the employee to the extent that such employee is unable to perform his/her duties.
 - (b) Dental, ocular or doctor appointments which are of necessity and cannot be scheduled during non-working hours.
 - (c) Serious illness in the immediate family. "Immediate family" will mean spouse, children, mother, father, mother-in-law, father-in-law, brother, brother-in-law, sister, sister-in-law, grandparent, grandchild, niece, nephew, aunt, uncle, stepfather, stepmother, stepchild, stepbrother, stepsister, legal guardian, or a person with whom the employee shares a household in a personal relationship. "Serious illness" will be of such

a nature as to require the attendance of another person in charge. If the length of illness is 3 days or more, a physician's statement, explaining the condition of the person under the employee's care and projected time to recovery, may be required by the department head.

- (2) In order for sick leave to be authorized, an employee must personally contact his/her supervisor within one-hour prior to or one hour after the start of the employee's scheduled shift. If the supervisor is not available, the employee must personally speak with and leave the information with the department head or another supervisor. Notifying a fellow employee or leaving messages is not sufficient. For late arrivals, the employee must indicate when he/she expects to arrive for work. If the employee is unable to call in themselves because of an illness, emergency or for some other reason, he/she must have someone call on his/her behalf. If the department head determines that it was not possible for the employee to make contact in the allotted time, the department head may still authorize the sick leave.
- (3) The employee must keep the department head advised of the illness at least on a daily basis unless otherwise approved by the department head.
- (4) In the event an employee is absent for more than three (3) days, written medical verification from a health provider may be required to be presented to the department head upon return to work.
- (5) Prior to an employee's return to work from a sick leave, the department head may request a physician's statement verifying the employee's fitness to return to work.
- (6) Compensation for Sick Leave:
 - (a) One hour of sick pay is equal to one hour at the employee's regular hourly rate of pay.
 - (b) Sick leave pay is reflected on the paycheck issued for the pay period in which the sick leave was used.
 - (c) While on scheduled vacation or utilizing a personal day, an eligible employee may claim sick leave instead of vacation or personal day if all the provisions of a normal sick leave are met and a doctor's certificate is provided.
 - (d) While using compensatory time off an employee may not claim sick leave.
 - (e) During an unpaid leave of absence, an employee may not claim sick leave.

- (f) After all accrued sick leave is utilized; vacation leave may be used according to the provisions of the vacation leave.
- (g) Accumulated sick leave will have no cash value at the time of termination of employment, will not be considered wages or other compensation, and will not be paid.
- (h) When an employee has maximum accrual in their sick leave bank and does not utilize sick leave during a quarter of the year the employee may request eight hours of pay, to be deposited in a Deferred457 plan, as a bonus for non-accrual of sick leave.

1. A quarter will be defined as January thru March, April thru June, July thru September, and October thru December.

2. The bonus will be paid on the first pay period following the quarter the bonus is awarded.

- (7) Whenever an employee requests paid sick leave or is absent because of illness or injury, the City may take whatever steps are necessary to confirm the nature and extent of the illness or injury. The City reserves the right to require employees to substantiate and/or document their need for sick leave absences. The City also reserves the right to evaluate requests for, and extensions of, sick leave and medical leaves of absence by consulting with the employee's physician, with the employee's written permission, or with the City's own medical consultants, and retains the right to request that the employee seek a second opinion of the illness/disability from a physician of the City's choice. The City may also request the employee provide medical certification from the employee's personal physician and/or from a doctor of the City's choice at the City's expense. Employees are expected to return to work based upon information provided to the City by the employee's attending physician and may require the employee to submit to a medical examination by a physician designated by the City upon his/her return.
- (8) When time off from work for a medical, dental or optical appointment is unavoidable, the employee must check with his/her supervisor in advance to determine the least disruptive time to be absent. Employees may be asked to postpone or reschedule non-emergency appointments, depending upon the work schedule or requirements as identified by the appropriate supervisor.
- (9) False claims for sick leave, or failure of an employee to return to work or telephone personally (unless physically incapacitated) his or her supervisor as required, will not be tolerated.

I. Hardship Bank:

An employee may be granted, when all his/her sick, vacation, personal days and comp time has been exhausted, additional sick days from the City's hardship bank upon a

written recommendation from the supervisor and an approval of the City Manager. Sick and vacation time will not accumulate while utilizing this bank. Any holidays that occur while this bank is being used shall be considered a normal working day. The sick leave hardship bank is comprised of 100 days (800 hours) per year, renewed to that level January 1st of each year.

4.7 MEDICAL AND/OR FAMILY LEAVE OF ABSENCE WITHOUT PAY (FMLA)

A. The City provides up to 12 weeks of unpaid, job-protected leave to eligible employees for the following reasons:

- (1) Incapacity due to pregnancy, prenatal medical care, or child birth.
- (2) To care for the employee's child after birth, or placement for adoption or foster care.
- (3) To care for the employee's spouse, son or daughter, or parent, who has a serious health condition.
- (4) Serious health condition that makes the employee unable to perform the employee's job.

B. Military Family Leave Entitlements

- (1) Eligible employees with a spouse, son, daughter, or parent on active duty or called to active duty status in the Armed Forces, National Guard, or Reserves may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.
- (2) FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered service member during a single 12-month period. A covered service member is: (1) a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness*; or (2) a veteran who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.*

- (3) *The FMLA definitions of “serious injury or illness” for current service members and veterans are distinct from the FMLA definition of “serious health condition.”

C. Benefits and Protections

- (1) During FMLA leave, the City maintains the employee’s health coverage under any group health plan on the same terms as if the employee had continued to work. Employees must continue to pay their portion of any insurance premium while on leave. If the employee is able but does not return to work after the expiration of the leave, the employee will be required to reimburse the Company for payment of insurance premiums during leave.
- (2) Upon return from FMLA leave, most employees are restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms. Certain highly compensated employees (key employees) may have limited reinstatement rights.
- (3) Use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee’s leave. As with other types of unpaid leaves, paid leave will not accrue during the unpaid leave. Vacation leave, sick leave, holidays, funeral leave, or employer’s jury duty pay are not granted on unpaid leave.

D. Eligibility Requirements

Employees are eligible if they have worked for this City for at least 12 months, for 1,250 hours over the previous 12 months, and if they work at a work site with at least 50 employees within 75 miles.

E. Definition of Serious Health Condition

- (1) A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee’s job, or prevents a qualified family member from participating in school or other daily activities.
- (2) Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three consecutive full calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

F. Use of Leave

- (1) The maximum time allowed for FMLA leave is either 12 weeks in the 12-month period as defined by the City of Gunnison, or 26 weeks as explained above. The City uses the 12-month period measured forward from the first day of an employee's leave.
- (2) An employee does not need to use this leave entitlement in one block. Leave can be taken intermittently or on a reduced leave schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the City's operations. Leave due to qualifying exigencies may also be taken on an intermittent basis.
- (3) Employees taking intermittent or reduced schedule leave based on planned medical treatment and those taking intermittent or reduced schedule family leave with the City's agreement may be required to temporarily transfer to another job with equivalent pay and benefits that better accommodates that type of leave.

G. Substitution of Paid Leave for Unpaid Leave

The City requires employees to use accrued paid leave while taking FMLA leave. Paid leave used at the same time as FMLA leave must be taken in compliance with the City's normal paid leave policies. If an employee's leave of absence does not constitute paid leave as defined in the City's paid leave policies, the employee cannot use accrued paid leave, but can take unpaid leave. FMLA leave is without pay when paid leave benefits are exhausted.

H. Employee Responsibilities

- (1) Employees must provide 30 days advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days' notice is not possible, the employee must provide notice as soon as practicable and generally must comply with the Company's normal call-in procedures.
- (2) Employees must provide sufficient information for the City to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions; the family member is unable to perform daily activities; the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform the Company if the requested leave is for a reason for which FMLA leave was previously taken or certified.
- (3) Employees also may be required to provide a certification and periodic recertification supporting the need for leave. The City may require second and third medical opinions at the City's expense. Documentation confirming family relationship, adoption, or foster care may be required. If notification and appropriate certification are not provided in a timely manner, approval for leave may be denied. Continued absence after denial of leave may result in

disciplinary action in accordance with the City's attendance guideline. Employees on leave must contact their supervisor and/or department head at least two days before their first day of return.

I. The City's Responsibilities

- (1) The City will inform employees requesting leave whether they are eligible under FMLA. If they are, the notice will specify any additional information required as well as the employees' rights and responsibilities. If they are not eligible, the City will provide a reason for the ineligibility.
- (2) The City will inform employees if leave will be designated as FMLA-protected and the amount of leave counted against the employee's leave entitlement. If the City determines that the leave is not FMLA-protected, the City will notify the employee.

J. Unlawful Acts

FMLA makes it unlawful for the City to:

- (1) Interfere with, restrain, or deny the exercise of any right provided under FMLA.
- (2) Discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

K. Enforcement

- (1) An employee may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against the City.
- (2) FMLA does not affect any federal or state law prohibiting discrimination, or supersede any state or local law or collective bargaining agreement which provides greater family or medical leave rights.

4.8 DOMESTIC VIOLENCE LEAVE

- A. C.R.S. §24-34-402.7 requires that employers, including political subdivisions of the State of Colorado, who employ more than fifty employees, permit an employee who has been employed for twelve months or more to take up to three working days of leave from work in any twelve-month period if the employee is the victim of domestic abuse, stalking, or sexual assault, or any other crime that involves domestic violence.
- B. The time off of work must be used in seeking a civil protection order, obtaining medical or mental health counseling for the employee or a member of the family, making the home secure from the perpetrator of the domestic abuse or seeking a new home to

escape the perpetrator, or seeking legal assistance to address issues arising from the domestic violence.

- C. This leave is allowed without pay.
- D. Any information related to the employee's leave for domestic violence reasons is to be kept confidential.

4.9 MILITARY LEAVE

- A. If you are a member of the U.S. Armed Forces Reserve, National Guard, or performing other protected uniformed service, you are granted an unpaid leave of absence when called for active or inactive duty training.
- B. This time is granted in addition to earned vacation time. However, if you desire to use your vacation time for this purpose, you may voluntarily do so if you make a request in writing.
- C. If you are called to serve in a branch of the U.S. Armed Forces for an extended period, upon returning to the City after separation from military service, you may be reinstated in accordance with the provisions of the law.
- D. The City of Gunnison prohibits retaliation against any employee for taking time off under this policy. If you believe there has been a violation of our retaliation standard, please contact the Human Resources Department.

4.10 COMMUNITY VOLUNTEERING

- A. Serving as Volunteer during Non-duty Hours. Volunteering is a personal choice when it occurs during non-working hours and on the employee's own time. Volunteering that interferes with the proper and effective performance of the employee's official duties will not be tolerated. Employees who serve as volunteers in their off-duty time must report for their next regularly scheduled shift for duty with the City unless the absence that results from volunteering is approved, in advance, by the employee's supervisor.
- B. Serving as Volunteer during Work Hours. Leaving work to serve as a volunteer is permitted only with the prior permission of the supervisor. An employee serving as a volunteer is not on duty with the City of Gunnison. Such time away from work is without pay. At the supervisor's discretion, the employee may be able to make up the lost time from the job or the employee may use accrued vacation leave, accrued personal leave or accrued compensatory time.

4.11 HAZARDOUS MATERIALS RESPONSE TEAM DUTY

- A. The City of Gunnison has established a Hazardous Materials Response Team (HazMat) in order to comply with applicable law requiring communities to respond to hazardous material spills within their jurisdiction. The City's team membership is voluntary, limited, and consists of a Primary Team and a Secondary Team. Employees may apply for Primary Team membership only. Employee applications require written approval of his/her immediate supervisor and department head. Employee applications are reviewed and final recommendation for membership is determined by the HazMat Team Leader, the Emergency Services Coordinator and other team members, prior to submittal for final approval of HazMat team membership to the City Manager. The City Manager must approve all appointments of employees to the HazMat team and final approval is at the discretion of the City Manager.
- B. Response to a HazMat call-out while off-duty is at the discretion of the HazMat team member. Response to a HazMat call-out while on the job is permissible only with the employee's immediate supervisor's approval. Response to a HazMat call-out while on standby is not permitted. No City vehicle will be used by a HazMat team member for call-outs outside the City limits except under the auspices of an authorized mutual aid agreement.
- C. HazMat response time served will be recorded on the employee's time sheet as hours worked. Hours worked will be paid at the employee's regular rate of pay, unless such HazMat time results in overtime in accordance with the City's Overtime Policy. When the HazMat response time served results in overtime, the overtime for HazMat response work will be paid at one and one-half (1.5) times the employee's regular hourly rate. All HazMat response time will be charged to the HazMat Department's budget.

4.12 OTHER LEAVES OF ABSENCE WITH PAY

- A. Funeral Leave
 - (1) The City may grant employees up to three (3) days and in special circumstances up to a maximum of five (5) days leave of absence with pay to attend the impending passing, passing, and/or funeral of the employee's spouse, parent, child, mother-in-law, father-in-law, brother, brother-in-law, sister, sister-in-law, grandparent, grandchild, niece, nephew, aunt, uncle, stepfather, stepmother, stepchild, stepbrother, stepsister, legal guardian, or a person with whom the employee shares a household in a personal relationship.
 - (2) The purpose of this listing is to give the employee and supervisor guidance. It is not meant to be all inclusive. Special circumstances may be considered. The employee must request a funeral leave of absence at the earliest possible date, no later than the start of the employee's scheduled shift. The department head will be responsible for authorizing this type of leave of absence.

- (3) After five days of funeral leave are expended, the department head may grant up to an additional five days of funeral leave to be drawn from the employee's accrued sick leave.

B. Voting

Voting is an important responsibility we all assume as citizens. The City encourages you to exercise your voting rights in all municipal, state, and federal elections. Under most circumstances, it is possible for employees to vote either before or after work. If it is necessary to arrive late or leave work early to vote in any election, arrangements should be made with the supervisor no later than the day prior to Election Day.

C. Non-Job Related Court Witness/Juror By Subpoena

- (1) We believe jury duty is a civic responsibility. Employees receiving a jury summons should present a copy of the summons to their supervisor as soon as possible. Employees called to jury service will receive their regular rate of pay for the first (3) three days of jury duty. For each day of service thereafter, the employee will be paid by the State of Colorado pursuant to law. Any jury service compensation received from the court or the State of Colorado may be kept by the employee.
- (2) A full time employee will be paid while serving as a trial witness for City of Gunnison matters at the employee's rate of pay. Employees will turn in all subpoenaed witness compensation to the finance office upon receipt of payment for court related leaves.
- (3) To obtain time off for jury duty or to be a trial witness, the employee must submit a written request for a leave of absence to the department head at the earliest possible date. The department head is responsible for notifying the City Manager to arrange a leave of absence.
- (4) Employees who, on their own time, consult and act as expert witnesses in criminal or civil trials will not be compensated for court time and will be expected to use vacation or unpaid leave for such circumstances.

D. Personal Leave

All full-time employees who work an average of forty hours per week have the option of either accruing twelve (12) paid sick days (96 hours) a year or accruing ten (10) paid sick days (80 hours) a year with two (2) paid days to be used as personal leave days. All full-time employees who work an average thirty hours per week have the option of either accruing nine (9) paid sick days (72 hours) a year or accruing seven and one-half (7.5) paid sick days (60 hours) a year with one and one-half (1.5) paid days (12 hours) to be used as personal leave days. The employee's choice is documented on the

personnel action form at the beginning of each year, and must be designated prior to January 1st of each year. Personal leave days are not available in the first year of employment for employees hired after the first pay date of the year.

- (1) Personal days must be used prior to December 15th within each calendar year.
- (2) Personal days do not carry over into subsequent years and carry no monetary value at the time an employee terminates from City employment.
- (3) To take a personal day, the employee must give his/her supervisor at least three days prior notice.
- (4) To use a personal day for an emergency, the employee must notify his/her supervisor. Granting of a personal day in this instance will be at the supervisor's discretion.
- (5) Personal days are granted at the supervisor's discretion.
- (6) Personal days taken are not included as hours worked in calculating overtime pay.
- (7) A personal day is defined as an eight-hour day for full-time employees working an average of 40 hours per week, and a six-hour day for full-time employees working an average of thirty hours per week. Partial days may not be taken.
- (8) For employees working four ten-hour shifts, the employee may need to use two hours of comp time or vacation in addition to the personal day.

SECTION 5 DISCIPLINARY ACTION AND SEPARATION

5.1 GENERAL

- A. Good working relationships require a professional approach by everyone. All employees have responsibilities to act ethically with the City as an organization, themselves, and their coworkers.
- B. Occasionally, performance or other problems fall short of our standards and/or expectations. When this occurs, management takes action which, in its opinion, is deemed appropriate.
- C. Disciplinary actions can range from a formal discussion with the employee about the matter to immediate discharge. Action taken by management in an individual case should not be assumed to establish a precedent in other circumstances.
- D. Employees must at all times comply with the City's expectations for work performance and conduct. Failure to do so may result in any or all of the following actions, as the City deems appropriate.
- E. Discipline need not be conducted in any particular order or progression, nor will the imposition of discipline alter or modify the employment relationship between the City and its employees. The City reserves the right, in every case, to decide when discipline is appropriate and to determine the severity of the discipline to be imposed, up to and including immediate termination. Management will decide in its judgment which of these actions would most effectively resolve the problem.
- F. The fact that the City has or has not utilized any of these actions does not set any precedent and should not be relied upon in future disciplinary situations by an employee.

5.2 SUSPENSION

- A. A supervisor may suspend an employee under that supervisor's jurisdiction without pay as a disciplinary measure when the supervisor deems a suspension to be appropriate. Prior to a suspension, the supervisor will consult with the department head and the City Manager. Upon City Manager approval, written notification of the suspension will be given to the employee. A copy will be submitted to the department head and to the City Manager, along with a copy for the personnel file, describing the circumstances preceding and specific reasons for the suspension. The actual day(s) of the suspension will be set by the employee's supervisor. An employee who receives a suspension for disciplinary purposes does not have the option of working on a day off in lieu of receiving a suspension day without pay. Exempt employee's suspension without pay must be in one week increments.

- B. When, in the judgment of a supervisor, an employee's mental, emotional, physical condition or conduct is such that the employee's presence on the job or operation of equipment or a motor vehicle potentially endangers the employee, other employees or the public safety and welfare, the supervisor may suspend the employee immediately. The provisions specified in these rules will then be followed as soon thereafter as practicable. The department head may review the suspension. If the department head determines that all or part of the suspension is unwarranted, the employee may receive pay for days previously suspended according to the final decision rendered.

5.3 DEMOTION

A supervisor may demote any full-time or part-time employee under the supervisor's jurisdiction for the good of the City or as a disciplinary measure when the supervisor deems it appropriate. Prior to initiating a demotion, the supervisor will consult with the department head and the City Manager. Upon City Manager approval, the supervisor will give written notification of the demotion to the employee and will submit a copy to the department head and the City Manager, describing the circumstances preceding and the specific reason for the demotion.

In the event of a demotion, the effected employee shall begin their years of service within the new classification upon the date of demotion. All benefits will continue to accrue based on total years of service with the City.

5.4 DISMISSAL

- A. A supervisor may, after consultation with the department head and the City Manager, dismiss temporary, seasonal/instructor, part-time and full-time employees in accordance with the provisions of this Handbook.
- B. The supervisor will give written notification of the dismissal to the employee and a copy to the department head and the City Manager, describing the circumstances and specific reasons for the dismissal.
- C. Failure to follow these procedures is grounds for disciplinary action of supervisory or administrative personnel but does not affect the validity of the underlying dismissal action.

5.5 SEPARATION OF EMPLOYMENT

We request that employees who wish to resign their positions notify the City of their anticipated departure date and go over the "check out" procedures at separation (conversion of insurance, return of property, delivery of final paycheck, etc.) with Human Resources.

Employees may be considered for re-employment provided they qualify for the position of interest and while they were employed with the City maintained satisfactory performance and attendance.

5.6 EXIT INTERVIEWS

In instances of voluntary termination of employment, the City encourages the discussion of reasons for leaving and other impressions the employee may have about the City. Upon deciding to leave, employees are asked to grant the City an exit interview. During the exit interview, employees are encouraged to express themselves freely. It is hoped that this exit interview will provide insights into possible improvements the City can make.

5.7 RETURN OF CITY PROPERTY

Any City property issued to employees, such as keys, purchase cards, policy manuals, tools or uniforms, must be returned at the time of termination or resignation, or whenever requested by the supervisor. Employees are responsible to pay for any lost or damaged items. The value of any property issued and not returned may be deducted from the employee's final paycheck.

5.8 TERMINATION

Employees, who are laid-off or discharged from their job at the volition of the City, will receive their final pay on their discharge date. If not picked up personally, the employee's final check will be mailed "immediately" (within 24 hours of his/her final workday) to his/her last known address. Employees who quit or resign their employment with the City will receive their final pay on the next regularly scheduled pay date after their termination date. On that date, the employee may pick up his/her check or the City will mail the check to his/her last known address.

For pay purposes, terminations are effective on the last day worked, unless otherwise specified in writing by the City Manager. Final pay will include wages or compensation for labor or service earned and unpaid at the time of discharge, including any accrued but unused vacation leave. Accrued but unused sick and personal leave will be forfeited and not compensated in final pay. Normal tax withholding and applicable deductions will be withheld from final pay as will any lawful charges or indebtedness the departing employee owes to the City. No final check may be released without the permission of the City Manager.

SECTION 6 DISPUTE RESOLUTION & PROBLEM SOLVING POLICY

6.1 OPEN COMMUNICATION

The City of Gunnison encourages all employees and managers to use open and effective communication skills. Consistent effective communication is an ongoing requirement to maintain employment. The City recognizes that conflict is inherent in any organization, and therefore offers processes to assist employees in problem-solving and dispute resolution.

6.2 JOB RELATED PROBLEMS

Employees who disagree with a City of Gunnison practice should promptly discuss the matter with their immediate supervisor, where appropriate. Normally this discussion should be held within 3 – 5 days of the incident in question, or a timely basis. Discussions held in a timely manner will enhance the ability to resolve concerns while fresh in everyone's mind. The majority of misunderstandings can be resolved at this level.

6.3 CHAIN OF COMMAND

If the solution offered is not satisfactory, or if it is inappropriate to go to the direct supervisor, employees are encouraged to take the problem to the supervisor's boss. If the problem still cannot be resolved, or if it is inappropriate to go to the supervisor's boss, employees may submit a written complaint or explanation to the City Manager for review. The City Manager will investigate the circumstances of the issue; determine appropriate actions and make a final decision about the situation.

The decision of actions to be taken, that are deemed appropriate by the City Manager, are final and no further internal remedy is available to effected parties.

SECTION 7 ACCESS TO PERSONNEL FILES

7.1 FILE CONTENT AND LOCATION

Personnel file content is the sole property of the City of Gunnison. Open Records requests to view the file will be kept in the employee's personnel file.

7.2 ACCESS TO FILES

- A. Generally, personnel files are only available to the person in interest and the duly elected and appointed officials who supervise such person's work.
- B. The following persons are authorized to access personnel files:
 - (1) The employee (his/her own file only);
 - (2) The employee's direct supervisor (on a need-to-know basis only);
 - (3) The department head of the employee;
 - (4) The City Manager (unlimited access);
 - (5) The Finance Director, Human Resource Technician, City Clerk, and Deputy City Clerk in the course of updating basic data only;
 - (6) Persons with a valid court order.
- C. An employee wishing to review his/her file should contact the Human Resources office to make arrangements. A date and hour will be set within 3 working days at which time the records will be available for inspection.
- D. To make changes or corrections to a personnel file, the employee must submit a request in writing to the City Manager, describing the nature and explanation for the change or correction. If the request for a change or correction is turned down, the employee can then request that his or her statement of disagreement with the personnel files be placed within the file. That statement of disagreement is to be a permanent part of information in the personnel file. The following changes should be submitted to the Human Resources office: name change, marital status change, dependent change, address and/or telephone number change, beneficiary designation change, emergency notification change and social security number correction.

- E. Requests from any external source (i.e., individuals or companies outside the City) for information from an employee's personnel file should be directed to the City Manager. As an employee or a former employee of a public employer, records regarding your personnel file may be open to the public as mandated by law or the Colorado Open Records Act. The only exception to this policy is verification of employment requests about current employees.

SECTION 8 OTHER POLICIES AND PRACTICES

8.1 OPEN RECORDS

The City of Gunnison is governed by the Colorado Open Records Act (See C.R.S. 24-72-201 et seq.) which states that it is the public policy of the State of Colorado that all public records will be open for inspection by any person at reasonable times. Notwithstanding that general policy, there are some records that the law provides are not open to public inspection and are to be kept confidential. Examples of such “non-public” records include, but are not limited to: individual medical and mental health records; employee personnel files and reference letters; deliberative work product information; law enforcement investigation and intelligence records; and trade secrets, privileged information and confidential commercial and financial data. Open records requests are processed through the City Clerk.

As a City of Gunnison employee, employees may work with, have access to, or gain knowledge of records or information that belongs to the City, its employees, citizens and/or suppliers and which is not open to public inspection. Your employment with the City assumes you will maintain the confidentiality of all such non-public information and secrets, together with the documents and materials upon which it is displayed, even after you leave our employ. In other words, you must not, except in the proper performance of your duties as an employee of the City of Gunnison, use, disclose or in any way make available to anyone else, either outside or within the City, any confidential, non-public records or information at any time. If you have any doubt or concern as to whether a particular record or item of information is open to the public or whether a particular disclosure is appropriate, please contact the City Manager for direction.

8.2 EMPLOYMENT OF RELATED PERSONS

- A. The purpose of this policy is to establish uniform practices regarding the employment of regular full-time, part-time and temporary employees of relatives by the City of Gunnison. The intent of this policy is to prevent the appearance of partiality in the hiring, promotion, demotion, reassignment, and transfer of employees, thereby limiting the negative effect on employee morale and the appearance of impropriety to the public.
- B. The following relatives of any officer, employee, or elective official of the city who has the authority to hire, fire, or supervise employees, or of his spouse, shall not be hired by any officer, employee or elective official of the City of Gunnison without the prior consent of the City Council: spouse, child, parent, brother, or sister. All relationships shall include those arising from adoption.
- C. Without prior consent of the City Council an employee shall not be assigned, transferred or promoted, if such action will violate this policy. City Council consent is required even though consent may have previously been granted to the employee(s) involved.
- D. When two employees marry or partner in a civil union pursuant to the “Colorado Civil Union Act,” pursuant to Title 14, Article 15 of the Colorado Revised Statutes and such marriage or union results in a violation of the policy above, the City of Gunnison will

attempt to arrange a transfer to a similar position in another department for one of the employees, ordinarily the one in the more junior job classification. There is no guarantee that the new position will be within the same classification or at the same salary level. Where a transfer cannot be arranged or is not accepted by the employee(s), then one of the affected employees shall be separated from city service. Such separation shall be accomplished either by voluntary resignation of one of the affected employees or, in the event neither of the affected employees voluntarily resigns, by the termination of the less senior employee through a non-disciplinary separation from city service.

8.3 OUTSIDE EMPLOYMENT

Other employment outside the City must not interfere with your present job, or involve a conflict of interest, or give that appearance. If you work for the City, you cannot work through a temporary agency in a second job here.

8.4 RESIDENCY REQUIREMENTS

If an employee is provided with a City vehicle, or is part of an emergency response team (Police and Fire), he/she will be required to live within a (20) twenty minute drive time to the city limits of Gunnison. The (20) twenty minute drive time will be base-lined when the streets are dry, with a vehicle driving the legal speed limit. The department head shall ensure that the roadway is of such quality as to not significantly impact the wear and tear of the city-owned vehicle. City snow removal crewmembers serving in an on-call status and standby personnel will respond to their assigned duty station within (30) thirty minutes of being called out.

8.5 ATTENDANCE

- A. Regardless of what position an employee holds, punctuality and regular attendance are essential to the effective operation of the City. Regular and reliable attendance is an essential function of each and every position at the City. If an employee knows in advance he/she is going to be unavoidably late or absent, he/she must personally notify his/her supervisor within one hour prior to or one hour after the start of the employee's scheduled shift. If the supervisor is not available, the employee must personally speak with and leave the information with the department head or another supervisor. Notifying a fellow employee or leaving messages is not sufficient. For late arrivals, the employee must indicate when he/she expects to arrive for work. If the employee is unable to call in themselves because of an illness, emergency or for some other reason, he/she must have someone call on his/her behalf. Failure to call in may lead to disciplinary action up to and including termination.

- B. Assignment of scheduled working hours will be made by the employee's department head or supervisor. Likewise, scheduled working hours may change at the discretion of the employee's department head or supervisor. Employees are to be present at work during all scheduled hours, unless arrangements in accordance with the leave policies have been made. Unexcused absence and failure to be at the employee's appointed work station at the start of the work period will not be tolerated.

8.6 POLITICAL ACTIVITY

Political beliefs, activities and affiliation will be a private matter to the employees of the City of Gunnison. No employee or applicant will be required to divulge political beliefs as a requirement of employment, nor participate in, nor make or withhold contributions to, political parties or groups. Employees will not engage in encouraging candidates to run or openly and actively support any political candidate or issue during scheduled work hours. All City employees are subject to the provisions of the Colorado Campaign Reform Act.

8.7 CITY PROPERTY

Employees, who use or have City property in their possession, are expected to treat it with the same care as they would their own property. All City tools and equipment are to be returned in good condition, ordinary wear and tear excepted. Property lost, damaged, or destroyed due to the employee's carelessness, will be replaced at the employee's expense.

Whether or not performed on the City's premises, work which employees perform and are paid for by the City is the property of the City of Gunnison. This includes inventions, works of authorship, improvements, designs, developments, and discoveries which relate in any manner to the present or prospective activities or business of the City.

8.8 OPERATION OF CITY OR PRIVATE VEHICLES

If an employee is authorized to operate a City owned vehicle or a personal vehicle for business use, the employee must have a valid Colorado Driver's License and liability insurance for the vehicle, wear a seat belt at all times and obey all traffic rules. Any unsafe or unlawful driving is a potential liability to the City and will not be tolerated. Driving while intoxicated or under the influence of a controlled substance or marijuana constitutes grounds for immediate termination of employment.

8.9 COMMUNICATION SYSTEMS

A. Systems

- (1) The City of Gunnison's computer network, access to Internet, email and voice mail systems are business tools intended for employees to use in performing their job duties. Therefore, all documents and files are the property of the City

of Gunnison. All information regarding access to the City of Gunnison's computer resources, such as user identifications, modem phone numbers, access codes, and passwords are confidential City of Gunnison information and may not be disclosed to non-City of Gunnison personnel.

- (2) All computer files, documents, and software created or stored on the City of Gunnison's computer systems are subject to review and inspection at any time. In this regard, employees should not assume that any such information is confidential, including e-mail either sent or received.
- (3) Computer equipment should not be removed from the City of Gunnison premises without written approval from a department head. Upon separation of employment, all communication tools must be returned to the City of Gunnison.

B. Personal Use of the Internet

Some employees need to access information through the Internet in order to do their job. Use of the Internet is for business purposes during the time employees are working. Personal use of the Internet should not be on business time, but rather before or after work or during breaks or lunch period. Regardless, the City of Gunnison prohibits the display, transmittal, or downloading of material that is in violation of City of Gunnison guidelines or otherwise is offensive, pornographic, obscene, profane, discriminatory, harassing, insulting, derogatory or otherwise unlawful at any time.

C. Software and Copyright

The City of Gunnison fully supports copyright laws. Employees may not copy or use any software, images, music or other intellectual property (such as books or videos) unless the employee has the legal right to do so. Employees must comply with all licenses regulating the use of any software and may not disseminate or copy any such software without authorization. Employees may not use unauthorized copies of software on personal computers housed in City of Gunnison facilities.

D. Unauthorized Use

Employees may not attempt to gain access to another employee's personal file or e-mail messages or send a message under someone else's name without the latter's express permission.

Employees are strictly prohibited from using the City of Gunnison communication systems in ways that management deems to be inappropriate.

If you have any question whether your behavior would constitute unauthorized use, contact your immediate supervisor before engaging in such conduct.

E. Email

- (1) Electronic mail is to be used for business purposes. While personal email is permitted, it is to be kept to a minimum. Personal electronic mail should be brief and sent or received as seldom as possible. The City of Gunnison prohibits the display, transmittal, or downloading of material that is offensive, pornographic, obscene, profane, discriminatory, harassing, insulting, derogatory or otherwise unlawful at any time. No one may solicit, promote, or advertise any outside organization, product or service through the use of electronic mail or anywhere else on City of Gunnison premises at any time. Management may monitor email from time to time.
- (2) Employees are prohibited from unauthorized use of encryption keys or the passwords of other employees to gain access to another employee's email messages.

F. Voice Mail

The City of Gunnison voice mail system is intended for transmitting business-related information. Although the City of Gunnison does not monitor voice messages as a routine matter, the City of Gunnison reserves the right to access and disclose all messages sent over the voice mail systems for any purpose. Employees must use judgment and discretion in their personal use of voice mail and must keep such use to a minimum.

G. Telephones/Cell Phones

- (1) Employee work hours are valuable and should be used for business. Excessive personal phone calls can significantly disrupt business operations. Employees should use their break or lunch period for personal phone calls.
- (2) Confidential information should not be discussed on a cell phone. Cell/camera phones should not be used in a way that violates other City of Gunnison guidelines such as, but not limited to, EEO/Sexual Harassment and Confidential Information.
- (3) The City of Gunnison telephone lines should not be used for personal long distance calls.

H. Cellular Telephone Policy

The City of Gunnison provides cellular telephone service to City employees for official City business. Management staff members will determine if individual employees require cell phones to provide effective and efficient service. City-owned cellular phones are intended for City business only.

The City of Gunnison will contract with one cellular provider through the City's purchasing policy. All City departments shall obtain their cellular service from the

designated provider. The City of Gunnison will provide multiple plans to fit the unique requirements of the individual user or department whenever possible.

Use of City-owned cellular phones shall be subject to the following:

- (1) All City-owned cell service/equipment shall be purchased through the City's designated provider.
- (2) Authorized communications are those made or received for the purpose of conducting City business. If charges exceed the plan allowances, charges for personal communications will be the responsibility of the employee.
- (3) Supervisors shall review City-owned cellular phone bills to ensure compliance with this policy. Employees will be required to pay for any unauthorized calls by the end of the current pay period after the employee has been notified of the amount due. If payment is not received, the amount due the City will be deducted from the employee's next pay check.
- (4) When other means of communication are unavailable, employees who have City-owned cellular phones shall keep their phones activated during all work shifts, including on-call and standby shifts.
- (5) For safety reasons, employees are prohibited from the use of city issued or personal cell phones while driving any city vehicle and/or operating any piece of equipment, unless using a hands free device. Employees must park whenever they need to use a cell phone. Generally, stopping on the shoulder of the road is acceptable.
- (6) Upon separation from City employment, employees shall return City-owned cellular phones to the appropriate Department Supervisor. The employee is responsible for all calls until the phone is returned.
- (7) Employees who violate this policy will lose their City-owned cellular phone privileges and will be subject to disciplinary action, as outlined in Section 5 of the City's Personnel Manual.

I. Use of Headphones

- (1) The use of headphones to listen to music or other recorded media is prohibited while operating a vehicle or equipment on City streets or rights of ways.
- (2) At the discretion of department heads, employees may use headphones while performing other functions during the course of conducting city business.

8.10 NETWORK ACCESS POLICY FOR ELECTRONIC DEVICES & REMOVABLE STORAGE MEDIA

The City promotes the use of portable electronic devices and removable storage media to the level and extent that the employee performance is enhanced.

A. Definitions

- (1) Portable electronic device is defined as any electronic communications having the capability to access by any means the city network. IE: lap tops, cell phones, PDAs, I-pods, etc.
- (2) Removable storage media is defined as any portable electronic device, thumb drive, USB drive, portable hard drive, removable disk, flash card or other object capable of storing electronic data in any fashion.
- (3) Remote access is defined as any method that allows access to the city network or data from anywhere but an established city owned desktop computer.
- (4) Employee applies to all paid, volunteer and elected officials in the city who may need access to any portion of the city network.
- (5) Personal Data refers to information relevant to an individual's name, date of birth, address, social security number, account numbers, etc.

B. The city network and related electronic files and data need to be secure from theft and tampering. Network security is required for the protection of personal and/or proprietary information held by the city and for compliance with state and federal regulations, including but not limited to, the red flag policy to prevent identity theft and HIPPA. See also City Policy related to records retention, and public information open records act.

- (1) Only persons authorized by a department head may have remote access from any electronic device.
- (2) Network security will be maintained for remote access over the Internet through physical security, (the use of firewalls, etc.) and through city policy.
- (3) Only persons authorized by a department head may copy any file, containing personal information, from any computer or electronic storage device in the city network to removable storage media and remove that data from their work place.
- (4) Devices and storage media, where available, will have security features to protect the data if device or media is lost or stolen.

- (5) Any lost device with network access rights or protected data will be reported to the department head immediately.
- (6) Department heads will immediately notify IT Personnel of any lost device so that steps may be taken to minimize any threat to City network.
- (7) All devices will be operated only with current antivirus software installed, where applicable.
- (8) Public access points in the city will be secured so as to not allow access to the private network side.
 - (a) Network outlets in public areas of city facilities will be disabled except when needed.
 - (b) Where public access is allowed to city network, City file security will be maintained through the use of hardware and/or programming restrictions.
- (9) Contractors with access to city network should provide confidentiality agreements prior to being granted access. All access by contractors should be coordinated with IT personnel to insure network integrity and security.
- (10) All access to the City computer network will be password and login protected. Access to network resources will be limited by login authorization with department head or City Manager's approval.

C. Records retention

- (1) Files copied to a device/media must conform to records retention and discovery standards.
- (2) Employees must be aware that some files accessed through an electronic device may subject the device and or files to review in a public records disclosure request. Under some circumstances this may apply to personally owned devices and files as well.
- (3) All files/data on the network is the property of the city and subject to open records law.
 - (a) The City treats all information transmitted through or stored in the system, including E-mail messages, as business information. An employee or anyone else using the City's computer has no expectation of privacy in the use of that computer. The City has the capability and retains the right to access, review, copy, modify and delete any or all such business information for any purpose and to disclose it to any party (inside or outside the City) it deems appropriate or as required by law.

- (b) Those files containing personal information of any employee as a result of the employee making incidental use for personal purposes, including transmission of personal E-mail messages will be treated no differently than other business files and information. Accordingly, employees should not use the computer system to send, receive or store any information that they wish to keep private.

- D. Wireless networks will only be installed with department head approval.
- E. All wireless access points will use WPA encryption or higher.
- F. Costs associated with establishing remote access are addressed through the City Policy on Cell Phones where applicable.
- G. Access to all city computer systems is by authority of the Department Head and/or City Manager. Access will be denied for violations of city or department policy; internal, civil and criminal investigations; or while on suspension and separation from city employment. The Department Head and/or City Manager may elect to have access continue based on the benefit to the City.

8.11 ANTI-VIOLENCE POLICY

A. Threats and Anti-Violence

- (1) The City's goal is to strive to maintain a work environment free from intimidation, threats, or violent acts. This includes, but is not limited to, intimidating, threatening or hostile behaviors, physical abuse, vandalism, arson, sabotage, use of weapons, carrying illegal weapons onto City of Gunnison property, or any other act, which, in management's opinion, is inappropriate to the workplace. In addition, bizarre or offensive comments regarding violent events and/or behavior are not tolerated.
- (2) Employees who feel they are subjected to any of the behaviors listed above should immediately report the incident to their direct supervisor or other management personnel. Complaints will be investigated by the management team. Based upon the results of the inquiry, action will be taken which management feels is appropriate.
- (3) Employees who observe or have knowledge of any conduct listed above should immediately report it to their supervisor. Employees should contact proper law enforcement authorities if they believe there is a serious threat to the safety and health of themselves or others.

B. Searches

The City of Gunnison reserves the right to conduct searches and inspections of any employee or City of Gunnison property without further notice. Any employee who

refuses to submit to a search will be subject to disciplinary action up to and including termination.

Employees on the City's premises are subject to questions and search at the City's discretion. The City reserves the right to inspect personal items, such as lunch pails, toolboxes, thermoses, purses, etc., carried by individual employees. If you have personal items that you would not like subjected to such inspection, these items should not be brought onto City premises. A search can also include City property such as, City vehicles, lockers, desks, filing cabinets, computer files, e-mail, and voice mail.

8.12 GRATUITIES

Employees will not directly or indirectly solicit/accept any gift with a monetary value of greater than \$50.00 whether it is money, services, loan, travel, entertainment, hospitality or any other form under the following circumstances:

- A. It could be reasonably expected that the gift was intended to influence them in the performance of their official duties; or
- B. The gift was intended to serve as a reward for any future official action on their part.

8.13 CONFLICT OF INTEREST

Employees exercising influence in connection with a City contract, purchase, payment or any other financial or monetary transaction and who has a substantial personal interest in the transaction will give seventy-two (72) hours written advance notice of the conflict to the City Manager. If an employee has any question whether a situation is a conflict of interest, they will discuss the matter with their direct supervisor. If there is disagreement, the matter is referred to the City Manager for final determination. Failure to disclose a conflict may result in immediate termination.

8.14 EMPLOYEE DEVELOPMENT

- A. The City encourages employees in professional and technical development.

Employees may request to attend school, seminars, workshops, or conferences if the training will be of mutual benefit to the City and the employee. This is called requested training. Requested training must be approved by the department director in advance of attendance. The City may also require that employees attend special training to stay proficient in their job. This is called required training. Required training must be approved by the department director in advance of attendance.

- (1) Required Training. The City may require that employees attend special training to meet City needs. Employees will be notified of required training in writing by their department head. The department will make all necessary work

schedule adjustments to accommodate required training. Travel to and from, and time spent at required training is compensable time. For required training and travel time of less than eight (8) hours duration (ten (10) hours for employees working four (4) - ten (10) hour shifts), employees will return to work to complete the eight (8) or ten (10) hour shift, make up the time during the pay period, or use appropriate leave time.

(2) Requested Training. Employees may request seminars, schools, workshops, or conferences when the training will be of mutual benefit to the employee and the City. Requested training must be approved by the department head in advance of the session. Travel to and from, and time spent at requested training may be compensable time depending on the particular training. Requested training time will not be compensable if (1) attendance is outside the employee's regular working hours, (2) attendance is in fact voluntary, (3) the course, lecture, or meeting is not directly related to the employee's job, and (4) the employee does not perform any productive work during such attendance. Schedule adjustments to accommodate requested training are not guaranteed. Transportation, lodging, and meals will be in accordance with the City Travel Policy.

B. City payment for approved voluntary attendance at conferences, workshops, seminars or other training sessions will be based on:

- (1) The direct benefit to the employee and the City.
- (2) Budgetary considerations.
- (3) Relevance to current municipal affairs.

C. When sufficient funds are available, full-time employees may be eligible for educational reimbursement. Courses must be job related and pre-approved according to your department's procedures prior to enrollment.

D. All approved courses must be satisfactorily completed to be eligible for reimbursement. Reimbursement will be made for tuition, registration, fees, and laboratory fees only. "Satisfactory completion of course" will mean a grade of "C" or better, if the course is graded, or a satisfactory completion if no grade is given. Upon completion of approved course(s), the employee will submit an appropriate verification that:

- (1) he/she has successfully completed the course;
- (2) shows the date of completion;
- (3) shows the final grade; and
- (4) indicates the number of units or hours earned.

CITY OF GUNNISON

ACKNOWLEDGMENT OF RECEIPT

I HAVE RECEIVED A COPY OF OUR EMPLOYEE HANDBOOK DATED JUNE 28, 2015.

I UNDERSTAND THAT NEITHER I NOR THE CITY IS COMMITTED TO AN EMPLOYMENT RELATIONSHIP FOR A FIXED PERIOD OF TIME. EMPLOYMENT WITH THE CITY OF GUNNISON IS AT-WILL. BOTH I AND MANAGEMENT HAVE THE RIGHT TO TERMINATE THIS EMPLOYMENT AT ANY TIME FOR ANY REASON. THE LANGUAGE USED IN THIS HANDBOOK AND ANY VERBAL STATEMENTS OF MANAGEMENT ARE NOT INTENDED TO CONSTITUTE A CONTRACT OF EMPLOYMENT, EITHER EXPRESS OR IMPLIED, NOR ARE THEY A GUARANTEE OF EMPLOYMENT FOR ANY SPECIFIC DURATION.

I UNDERSTAND THAT NO REPRESENTATIVE OF THE CITY OF GUNNISON, OTHER THAN THE CITY MANAGER, HAS AUTHORITY TO ENTER INTO AN AGREEMENT OF EMPLOYMENT FOR ANY SPECIFIED PERIOD AND SUCH AGREEMENT MUST BE IN WRITING, SIGNED BY THE CITY MANAGER AND ME. WE HAVE NOT ENTERED INTO SUCH AN AGREEMENT.

FURTHER, I UNDERSTAND THAT THE CONTENTS OF THIS HANDBOOK ARE SUMMARY GUIDELINES FOR EMPLOYEES AND THEREFORE NOT ALL INCLUSIVE. THIS HANDBOOK SUPERSEDES ALL PREVIOUSLY ISSUED EDITIONS. EXCEPT FOR THE AT-WILL NATURE OF EMPLOYMENT, THE CITY RESERVES THE RIGHT TO SUSPEND, TERMINATE, INTERPRET, OR CHANGE ANY OR ALL OF THE GUIDELINES MENTIONED, ALONG WITH ANY OTHER PROCEDURES, PRACTICES, BENEFITS, OR OTHER PROGRAMS OF THE CITY OF GUNNISON. THESE CHANGES MAY OCCUR AT ANY TIME, WITH OR WITHOUT NOTICE.

Printed Name

Signature

Date



Standby Pay Policy

Adopted by City Council June 28, 2016

EMPLOYEES' STANDBY COMPENSATION

- A. Employees serving as scheduled standby personnel for the Electric and the Water/Wastewater Departments shall be compensated at the following rate:
- (1) Electric crew standby are paid \$50.00 per day and will be compensated at time and one-half for time actually worked, with a one-hour minimum per call.
 - (2) Water/Wastewater crew standby are paid \$75.00 per day and will be compensated at time and one-half for time actually worked, with a one-hour minimum per call.
 - (3) In addition, employees serving as scheduled standby personnel on one of the twelve (12) designated City holidays will receive eight (8) hours of compensatory time per holiday covered.
 - (4) There may be employees asked to provide services for parks coverage, snow plowing or other duties during regular work week off hours. There is no standby compensation other than overtime pay, if applicable, for these services rendered.



Disciplinary Action Guidelines

Accepted by City Council June 28, 2016

DISCIPLINARY ACTION

- A. Supervisory and administrative personnel have the authority to take whatever disciplinary actions that they deem necessary, provided that provisions on suspension, demotion, or dismissal are closely adhered to and that any action taken is not inconsistent with the provisions of these rules or departmental policies and regulations. Employees will be required to cooperate with administrative staff in any investigation involving problematic employee conduct.
- B. When information received by the supervisor indicates the possible need to administer a suspension, demotion, or dismissal, the supervisor will initiate such discipline by notifying the employee with a summary of the information. No sooner than twenty-four (24) hours after the employee has received notification the supervisor will meet with the employee involved, present the information that has come to the supervisor's attention, and give the employee an opportunity to admit or deny the charge or present written information regarding mitigating circumstances.
- C. It is not intended that this meeting constitute a formal hearing but only provide the employee notice of the charges and give the employee an opportunity to meet and exchange information with the supervisor. No other formal procedural requirements will be required for this meeting including employee representation, meeting recordation, or witness examination. If the employee wishes, the employee may submit a written explanatory statement to the supervisor which will be attached to and kept with a copy of any disciplinary action. The supervisor's determination of the action to be taken will be based upon the information obtained from circumstances of the case.
- D. When the supervisor authorizes a disciplinary action, official notification of such action will be provided to the employee in writing by the immediate supervisor or the person taking the disciplinary action, and a copy thereof will be provided to the affected department head and the City Manager. This notification will describe the specific reasons and circumstances surrounding the disciplinary action. The record of a written reprimand or more severe disciplinary action will be filed with the employee's personnel records. The City Manager may investigate and review any disciplinary action to assure compliance with the provisions of these rules. All decisions by the City Manager in Personnel Actions are final and not subject to employee review.



Memorandum

To: City Council
From: Ben Cowan
Date: 6/14/2016
Re: Visitor Center Amendment Two

Due to the July 1 deadline quickly approaching and our inability to meet due to a variety of unforeseen circumstances, the attached amendment for Council consideration pushes the deadline for provision of a business plan to September 1.

Councilor Schwartz would like to reengage in this discussion as the Council's Visitor Center appointee and this amendment would facilitate his involvement in the creation of this important document.

SECOND AMENDMENT TO MEMORANDUM OF AGREEMENT

WHEREAS, the CITY OF GUNNISON, a Colorado home-rule municipality, existing under the laws of the State of Colorado, hereinafter called "CITY", and GUNNISON COUNTRY CHAMBER OF COMMERCE, a non-profit corporation of the State of Colorado, hereinafter called "CHAMBER" entered into a Memorandum of Agreement ("MOA") made effective the 12th day of January, 2016; and,

WHEREAS, both parties to such agreement desire to amend the terms of the MOA resulting in more convenient administration of the agreement;

WHEREAS, such amendment shall replace Section 3. Consideration. in whole;

WHEREAS, such amendment will supersede and replace the SECOND AMENDMENT TO MEMORANDUM OF AGREEMENT executed May 10, 2015; and

NOW, THEREFORE, in consideration of the mutual agreements included herein, the sufficiency of which is hereby acknowledged, the parties agree to amend the MOA dated January 12, 2016:

3. CONSIDERATION.

- (a) CHAMBER agrees to provide a report asserting the continued efficacy of visitor centers in the electronic age by December 31, 2016.
- (b) CHAMBER agrees to provide a business plan for the Visitor Center by September 1, 2016.
- (c) CHAMBER agrees to update the website to include separation of the Gunnison Country Chamber of Commerce and visitor center content by June 1, 2016.
- (d) CHAMBER agrees to establish a three-person Gunnison Country Visitor Center sub-committee by March 31, 2016, with one of the three members to be appointed by CITY. CITY acknowledges it does not have decision making authority for Gunnison Country Chamber of Commerce business that is unrelated to the Gunnison Country Visitor Center.
- (e) CHAMBER agrees to develop an affordable fee structure for service organizations so they can buy into visitor center services even though they don't collect sales tax by October 31, 2016.
- (f) CHAMBER agrees to represent all businesses that have a recognizable presence within the City of Gunnison as determined by the Gunnison Country Visitor Center sub-committee with regard to visitor center services by October 31, 2016.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date set forth above.

CITY OF GUNNISON, a Colorado
home-rule municipality

ATTEST:

By: _____
Richard Hagan
Mayor

Gail A. Davidson
City Clerk

GUNNISON COUNTRY CHAMBER OF
COMMERCE

By: _____

CITY OF GUNNISON, COLORADO CITY COUNCIL

**IN THE MATTER OF THE APPLICATION)
FOR A RETAIL MARIJUANA STORE LICENSE)
FOR THE POT SHOP LLC) FINDINGS AND DECISION
dba THE POT SHOP) 905B N. MAIN STREET,
GUNNISON CO 81230)**

TO THE APPLICANT ABOVE-NAMED AND ALL OTHER INTERESTED PARTIES:

Pursuant to 8.50.040 of the Gunnison Municipal Code and Title 12-Article 43.4 C.R.S., you are hereby advised based upon the application for a Retail Marijuana Store License, the investigation conducted by the City of Gunnison, as the local Marijuana Licensing authority, and the evidence submitted at the public hearing, the application of The Pot Shop LLC dba The Pot Shop, 905B N. Main Street, Gunnison, Colorado, for a Retail Marijuana Store License, is approved for the following reasons and with the following findings and conditions:

FINDINGS:

- (1) There has not been a denial of an application at the same location, on the grounds that the reasonable requirements of the neighborhood were satisfied by the existing establishments.
- (2) It appears from the evidence submitted with the application that the applicant is entitled to possession of the premises where the license is proposed to be exercised.
- (3) Selling Retail Marijuana and Allowed Retail Marijuana-Associated Products, as proposed in the application, is not in violation of the zoning, fire, building, technical, and other applicable codes of the City of Gunnison or the laws of the State of Colorado.
- (4) The building where the application proposes to sell Retail Marijuana and allowed marijuana-associated products does not appear to be within 1000 feet of any public, charter, or parochial school, daycare school, center or home, the principal campus of any college, university or seminary, or mental health facilities.
- (5) Within the City Limits where Retail Marijuana and Marijuana-associated products are proposed to be sold, there are the following existing licensed marijuana establishments:

8 – Retail Marijuana Stores

- 6) Based on the petitions of adult inhabitants of the City of Gunnison, the license applied for will meet the desires of the adult inhabitants of the City of Gunnison.
- 7) All fees necessary for the application have been paid.

CONDITIONS:

- (1) The Marijuana establishment shall comply with all provisions, standards and regulations of the *Land Development Code* and all relevant building, mechanical and fire codes adopted by the City.
- (2) A mechanical source capture and exhaust system shall be installed and subject to inspection and approval by the Building Official.
- (3) The licensed retail marijuana establishment premises shall be equipped with a carbon monoxide detector.
- (4) A minimum of 3 exterior parking spaces with one handicap accessible space shall be dedicated to this retail Marijuana establishment operation.
- (5) Building occupancy for the licensed retail marijuana establishment shall be subject to final inspection and approval by the Building Official, Fire Marshal and Community Development Director.

Dated this 28th day of June, 2016

MARIJUANA LICENSING AUTHORITY
CITY OF GUNNISON

Gail A. Davidson, City Clerk
City of Gunnison
201 W. Virginia Avenue
Gunnison, CO 81230

CERTIFICATE OF DELIVERY

I hereby certify that I have mailed via USPS the foregoing "**FINDINGS & DECISION**" on June 29, 2016, to the following:

Mr. Jonathan Billingsley
130 Tawanka Trail
Gunnison, CO 81230

Gail A. Davidson, City Clerk

MOTION

I move that the Retail Marijuana Store License for The Pot Shop, LLC dba The Pot Shop, 905B N. Main Street, Gunnison, Colorado, 81230, be approved based on the following findings and with the following conditions:

FINDINGS:

- (1) There has not been a denial of an application at the same location, on the grounds that the reasonable requirements of the neighborhood were satisfied by the existing establishment.
- (2) It appears from the evidence submitted with the application that the applicant is entitled to possession of the premises where the license is proposed to be exercised.
- (3) Selling Retail Marijuana and Allowed Retail Marijuana-Associated Products, as proposed in the application, is not in violation of the zoning, fire, building, technical, and other applicable codes of the City of Gunnison or the laws of the State of Colorado.
- (4) The building where the application proposes to sell Retail Marijuana and allowed marijuana-associated products does not appear to be within 1000 feet of any public, charter, or parochial school, daycare school, center or home, the principal campus of any college, university or seminary, or mental health facilities.
- (5) Within the City Limits where Retail Marijuana and Marijuana associated products are proposed to be sold, there are the following existing other licensed marijuana establishment:
 - 8 – Retail Marijuana Stores
- (6) Based on the petitions of adult inhabitants of the City of Gunnison, the license applied for will meet the desires of the adult inhabitants of the City of Gunnison.
- (7) All fees necessary for the application have been paid.

CONDITIONS:

- (1) The Marijuana establishment shall comply with all provisions, standards and regulations of the *Land Development Code* and all relevant building, mechanical and fire codes adopted by the City.
- (2) A mechanical source capture and exhaust system shall be installed and subject to inspection and approval by the Building Official.
- (3) The licensed retail marijuana establishment premises shall be equipped with a carbon monoxide detector.
- (4) A minimum of 3 exterior parking spaces with one handicap accessible space shall be dedicated to this retail Marijuana establishment operation.
- (5) Building occupancy for the licensed retail marijuana establishment shall be subject to final inspection and approval by the Building Official, Fire Marshal and Community Development Director.



Memorandum

To: City Council
From: Ben Cowan
Date: 6/24/2016
Re: Revolving Loan Fund

This memo is in response to your request for information on revolving loan funds. With regard to a revolving loan fund, Section 11.9 of the City's Charter states:

City Not to Pledge Credit:

The City shall not lend or pledge its credit or faith, directly or indirectly, or in any manner to, or in aid of any person, corporation, or other organization, public or private, for any amount or any purpose whatsoever, or become responsible for any debt, contract, or liability thereof.

Perhaps a legal opinion should be gathered to determine whether such a program is permitted according to the charter language.

However, there are a variety of community benefits that could be derived from the establishment of a revolving loan fund. A revolving loan fund can help with 1) establishment of new businesses, 2) capital improvements or expansion of existing businesses, or 3) building façade improvements. It can be designed to encourage economic development, community investment, and job creation.

By way of background, a Revolving Loan Fund (RLF) is a source of money from which loans are made for multiple small business development projects. As loans are repaid, the capital is then relaned for other projects.

If the Council desires to establish a revolving loan fund, there are a variety of considerations that need to be made:

Objectives (why would the community benefit from establishment of a loan program)

- Promote economic development
- Job creation
- Capital investment
- Downtown vitality
- Redevelopment
- Increase tax revenue
- Beautification

Capitalization:

- City funds (Strategic implementation reserve, 33% fund balance requirement)
Keeping in mind that a well-functioning revolving fund would have an equal amount recapitalized each year. In theory, a 5-year term program would have 1 fifth of funds available each year for reloaning.
- Grants
- Donations
- Other leverage

Approval Process:

- Committee
 - City Council
 - Independent but appointed body
 - Banker
 - Business development consultant
 - City staff
 - Accountant
 - Attorney
 - Citizen
- Loan Determination
 - First-come, first served
 - Open cycle with due date
- Avoiding interest conflicts in a small community
- Application
 - Detailed plan for use of funds
 - Letter of approval from building owner if leasehold improvements
 - Pictures of the existing structure and description of improvements
 - Detailed written estimate of costs
 - Any permits (if required)
 - Copy of Business Plan
 - Release for reference checks
 - Prior tax returns
 - Proprietary info to judge ability to make payments
 - Promissory note required as security
 - Only one loan per entity

Eligibility:

- What type of entities are eligible for funding? Examples include:
 - Sole Proprietorships
 - Partnerships
 - Corporations
 - Limited Liability Companies
 - Non-Profits
 - Local Governments and Special Districts

- What are the accepted uses of funds?
 - Working Capital
 - Equipment
 - Inventory
 - Building improvements (structural, roofing, etc.)
 - Building façade upgrades (paint, awnings, siding, cornices, signs, etc.)
 - Improvements other than buildings (planters, sidewalks, utilities, etc.)
 - Parking

- What are funds not available for?
 - Personal use
 - Gambling
 - Real Estate Development
 - Any speculative purpose
 - Refinancing
 - Property acquisition
 - Legal fees
 - Labor costs paid to the owner/applicant or relatives of the owner/applicant
 - Interior improvements
 - General maintenance

- What locations are eligible for funding?
 - Central Business District
 - Commercial
 - Commercial Mixed Use
 - Industrial
 - B1 – Professional Business
 - City limits

Terms:

- Interest Rate?
 - 0%
 - Prime (lowest rate of interest available), currently 3.5%
 - Other

- Term?
 - 3 years
 - 5 years
 - 10 years

- Amount (dependent upon capitalization)
 - Minimum
 - Maximum

- Payments?
 - Lump sum
 - Receipt reimbursement
 - Periodic payments

- Repayment
 - Monthly
 - Quarterly
 - Annually

- Delinquency Penalties
 - Interest rate increase
 - Suit in County or District court
 - Collections
 - Tax lien for utility loans
 - Seizure
 - Abatement

- Borrower Participation?
 - Collateral
 - Down-payment
 - Personal guarantee (LLCs or Corporations)

Other Business Lending Sources:

- Local banks
- National banks
- Region 10 Business Loan Fund
 - Community Development Block Grants (CDBG)
 - Small Business Administration (SBA) Microloan Program
 - USDA Intermediary Relending Program (IRP)
 - Repaid or “Revolved” Loans
- Small Business Finance Corporation (SBA 504 business real estate lender)
- US Dept of Agriculture Rural Development (variety of grant and loan programs)
- Colorado Lending Source (small business lender)

Other Considerations:

- Banking regulations, other regulatory issues
- Marketing/promotion
- Administration (City staff or contract with a local bank, professional, or other institution)
- Inspection
- Oversight
- Competition with local banks



City of Gunnison

MEMO

To: City council

Date: June 20, 2016

From: Greg Summer / Street Supervisor

Re: 2016 Slurry Seal project

Advertisements were published per the City purchasing policy for the 2016 Slurry Seal Bids.

We received two bids that meet specifications.

Intermountain Slurry Seal (\$ 1.95 sq yard)
Foothills Paving and Maintenance (\$ 2.13 sq yard)

A waiver drafted by the City Attorney and Approved by City Council is necessary in order to award the bid to Utah based Intermountain Slurry Seal . The waiver will be provided at the June 28th regular session and staff will ask the City Attorney to explain the necessary waiver and procedure at the June 28th regular session.

Staff recommends council approval to award the 2016 Slurry Seal bid to Intermountain Slurry Seal at the next regularly scheduled council meeting June 28th 2016 for an amount not to exceed \$ 150.000 as is in the 2016 City of Gunnison Budget.

Memo:

TO: Council
Date: June 20, 2016
RE: Bucket Truck
From: Will Dowis

Request for bids to replace our small bucket truck in 2016 were advertised as prescribed by the city purchasing policy. Acceptance of bids closed at 2:00 pm Monday May 23rd with two bids being presented. The bidders were Terex and Altec. The bids were opened and publicly read at 2:00 pm, May 23rd as advertised. Both company's submittals met the minimum required specs. Altec's bid was \$108,000.42 with no trade in. Terex had the low qualifying bid, including trade in was \$101,825.00

\$125,000.00 has been approved by council in the 2016 budget and can be found on page 98 of the 2016 budget book under the line item number 20-4202-9956.

Staff recommends approval to award the 2016 bucket truck bid to Terex for an amount not to exceed \$101,825.00 at the council meeting on June 28, 2016.

**RESOLUTION NO. 7
SERIES 2016**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, PROVIDING CONSENT TO THE HIRING OF RELATED PERSONS IN DEFINED CIRCUMSTANCES

WHEREAS, the City of Gunnison, Colorado, is a Colorado home-rule municipality organized under the laws of the State of Colorado; and

WHEREAS, the City of Gunnison Home Rule Municipal Charter, Article IV, Section 4.14, and City of Gunnison, Colorado, Employee Handbook, Section 8.2, contain an Anti-Nepotism policy which prevents the hiring of relatives of any officer, employee, or elective official of the City who has the authority to hire, fire, or supervise employees, or of his spouse, without the consent of City Council; and

WHEREAS, the requirement of obtaining Council consent related to the hiring of related part-time or temporary employees has potential negative impacts on City departments, particularly the Parks and Recreation Department, which must be able to hire and train staff to meet programming needs; and

WHEREAS, Council believes it appropriate to consent in advance to the hiring of related part-time or temporary employees, under certain conditions.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO:

1. Council provides consent, unless revoked or modified by further resolution of Council, to the hiring of related persons which would otherwise violate the anti-nepotism policy without Council consent, under the following circumstances:
 - a. The employee is not directly supervised by a relative who has the authority to hire, fire, or supervise, within the department, or a division thereof, in which the employee will work.
 - b. The employee is part-time or temporary, working under 1560 hours per year.
 - c. The City advertises for available positions in a manner intended to make available positions within the City known to all interested persons.

INTRODUCED, READ AND ADOPTED at a regular meeting of the City Council of the City of Gunnison, Colorado on the 28th day of June, 2016.

Richard Hagan, Mayor

(SEAL)

ATTEST:

Gail Davidson, City Clerk

**ORDINANCE NO. 7
SERIES 2016**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON,
COLORADO, AMENDING TITLE 4 JUDICIARY, CHAPTER 4.10 MUNICIPAL
COURT, SECTION 4.10.040 MUNICIPAL COURT CLERK**

WHEREAS, the City of Gunnison, Colorado, is a Colorado home-rule municipality; and

WHEREAS, City staff has undertaken a review of the provisions of the City of Gunnison Municipal Code as such relates to the authority to direct the duties and personnel of the City's municipal court, particularly the municipal court clerk, and determined that changes are necessary to assist in streamlining roles and procedures; and

WHEREAS, the City Council has determined that the changes proposed by staff are appropriate and in the best interest of the City of Gunnison, Colorado.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE
CITY OF GUNNISON, COLORADO, THAT:**

Section 1. Title 4 Judiciary, Chapter 4.10 Municipal Court, Section 4.10.010, Municipal Court Clerk, is hereby amended to read as follows:

4.10.040 Municipal Court Administration

The City Council hereby establishes the position of municipal court clerk. The City Manager, after consultation with the municipal court judge, shall designate a City employee(s), to perform the duties of the municipal court clerk as such are delegated by law, court ruling, or the municipal court judge. The municipal court clerk may serve without posting bond. The City Council shall annually assign two of its members to serve as liaisons to the municipal court and its personnel and shall advise Council as necessary.

Section 3. Severability. Should any section, clause, phrase, or provision of this ordinance be ruled invalid or unenforceable by any court of competent jurisdiction, it is hereby declared the intent of the City Council of the City of Gunnison, Colorado, that the remaining provisions of this ordinance shall be given full force and effect if it is possible to do so.

INTRODUCED, READ, PASSED, AND ORDERED PUBLISHED this 24th day of May, 2016, on first reading, and introduced, read, and adopted on second and final reading this 28th day of June, 2016.

Richard Hagan, Mayor

(SEAL)

ATTEST:

Gail Davidson, City Clerk

Ordinance published by title in the
Gunnison Country Times Newspaper
June 2, 2016

EXECUTIVE SESSION MOTION FORM
MEETING DATE: TUESDAY, JUNE 28, 2016

I MOVE TO GO INTO EXECUTIVE SESSION:

The purpose of which is pursuant to C.R.S. §24-6-402(4)(e) for determining positions relative to matters that may be subject of negotiations; developing strategies for negotiations; and instructing negotiators

To: City Councilors
Richard, Bob, Leia, Matt, Andy
Cc: Interim City Manager, Management Staff
From: City Clerk Gail Davidson
Date: June 28, 2016
Re: City Clerk's Department Report

**CLERK'S DEPT.
SEMI-ANNUAL
JUNE 2016
REPORT**

The City Clerk's Department strives to provide the best internal and external customer service possible. To that end, some of the ambient work load includes providing information via email, telephone and walk-in inquiries, assistance with locating documents and files for City staff and the public, preparation of Council meeting minutes, agendas and packet material information and posting for Council and the public, public hearing notifications, and other required duties. We field questions everywhere from how to contact a car rental company for a transfer in Gunnison to issues with the deer eating flowers off the graves at the cemetery. Deputy City Clerk Tara Kindall demonstrated her great customer service skills when two different individuals returned to City Hall and thanked her in person for her assistance with their concerns. I am fortunate to have both Tara and Court Clerk Melissa McLeod on the Clerk's Department team. They are both assets to the City. Melissa will be returning to her position on Monday, June 27th following the birth of her first child, Lilly.

Since the beginning of the year, I have been busy assisting with the transitions taking place in Council and City administration, from retiring City Manager Ken Coleman to the arrival of Interim City Manager Mark Achen through the selection process for the upcoming City Manager. I provided information to Mark to help get him "up to speed" in the shortest time possible. I emailed out the RFPs for new manager recruitment services and collected the incoming bids. Once SGR was selected, I developed the draft Gunnison community profile that was used in the new City Manager recruitment process. Numerous Special Session meetings were called over the past six months resulting in meeting postings, minutes and preparations. In addition to the new City Manager, with the resignation of Councilor Stu Ferguson, I placed the ads for a new City Councilor and facilitated the Council interviews and selection process. I am now inundating Andy Sovick with information to bring him "up to speed" as well. More new faces, advertisements were posted and placed resulting in the appointment of a new Planning & Zoning Commissioner, two Board of Adjustment & Appeals members, a new Challenge Grant Committee member and three new members of the City Election Commission.

City Event Permits: The City Clerk's Department and City Staff processed 19 City Event Permits in the past six months. Those included two permits for multi-day events that required Council approval; those being the Gunnison Arts Center's Sundays @ 6 programs at Legion Park and the weekly Farmers' Market. Along with other staff members, the Clerk helped update the City Event Permit form. The revised version contains more useable information for all departments including helping the City receive required sales tax revenues. The information also helps the applicant get any needed City services for a successful event. The application is available on-line and, while currently it has fillable data fields, it has to be copied, scanned and emailed or hand delivered. We are anticipating with the new City website, that the form can be filled out and submitted on-line as well.

Liquor Licensing Activity: The City Clerk's Department processed 32 liquor licenses or permits since January 1st. This represented 18 License renewals, 2 new Liquor Licenses (for Yardbird and Double Shot Cyclery) and 12 Special Event Liquor Permits. I have attached the licenses issued to this report.

An updated packet on Special Event Liquor Permit server information is being distributed with each issued Permit. As you are probably aware, the Governor signed the new bill allowing more flexibility for grocery stores to sell liquor. The State Liquor Enforcement Division is hard at work developing rules and regulations relating to this new law. At this time, the State is not accepting any new Retail Liquor Store License applications from any jurisdiction. The Clerk's team will follow the developing process and will report as rules affecting communities our size are implemented.

Marijuana Licensing Activity: To date, the City Clerk's Department, City Attorney and City Staff have reviewed and processed a total of 9 retail marijuana store establishment applications. Of those, 8 licenses have been issued since applications became available on July 5, 2015. The 9th application, from The Pot Shop, will be considered by Council at a Public Hearing on June 28th. The license application from Frozen Smoke, 500 E Hwy 50, Unit 103, is on hold while the applicant amends some financial information with the State Marijuana Division. Once corrected, the application will once again be scheduled before City Council. I have also received two inquiries about transferring ownership of two existing licenses and one inquiry about a cultivation establishment to be located in the Industrial Zone. These will undergo staff review and then be brought to Council for consideration. A list of existing Marijuana Establishment licenses is attached to this report.

Youth City Council: the students wrapped up this school year's YCC program. They continue to keep working on their "Our Valley" video project this summer. It's been a slow steady process but it is their project to complete. In the past six months, the students gave input to the CD Department on the Lazy-K Property development. They were pleased with most of the initial plans prepared by CU-Denver student Lorin Crandall. While they were disappointed there was no designated "paintball area" or parkour area, they were pleased with the trails through the property and with the wilder west end areas. The students also gave input on the Complete Streets design plan with the intersection of 11th and Tomichi not receiving high marks from the students. Recently, the students teamed with GCSAPP and brought forth a funding proposal to Council, which was subsequently approved, for the student mentoring *Sources of Strength* Program at the High School. The students conducted their annual mock City Council meeting where they dealt with the downtown sidewalks reconfiguration issue. At the end of their discussions, they came up with many of the same ideas and concerns that were expressed by our elected City Council. These students are bright, thoughtful, have great ideas from the high school student perspective and never cease to amaze me! At the June dinner meeting, most of the students indicated they would like to participate in YCC again next school year. The recruiting process will start after Labor Day for next year's YCC.

Municipal Court: Judge James McDonald continues to preside in Gunnison Municipal Court. City Attorney Kathleen Fogo is the City's Prosecuting Attorney for these Court Cases. Judge McDonald provided Council with the 2015 Court Report in February. For this report, a total of 258 citations were processed by the Municipal Court in the past 6 months. This represents the following citation types: Alcohol – 19; Animal – 29; Bike – 1; Conduct – 14; Drugs – 22; Parking – 139; and traffic – 34. A total of \$20,693.41 was collected in fines and fees in the past 6 months. The SafeRide program received \$1,650.00 in funding through the Municipal Court surcharge that is assessed against alcohol-related offenses. A copy of the past 6 months fines and fees collected is attached to this report.

City Clerk's Report

June 2016

Page -3-

The City Attorney and City Staff developed and presented Ordinance No. 7 to Council, which clarifies conflicting language in the City Charter and the Municipal Code regarding the Municipal Court Judge and Clerk. The Ordinance also establishes two Council liaisons with the Council-appointed Municipal Court Judge. The Ordinance will be considered on 2nd reading on June 28th.

I also thank Council for your letter to the Governor in an attempt for him to veto the recently passed legislation regarding the State's unfunded mandate requiring municipal-provided counsel for defendants in custody on first appearance. We anticipate this will have little budgetary impact on the Gunnison Municipal Court but it is still an unfunded State mandate.

Please let me know if you have any questions regarding this report or anything in the Clerk's Department.

Respectfully submitted,

Gail Davidson, CMC

City Clerk

CITY OF GUNNISON

Liquor License List as of 05/27/16

	license type	address	renew	date
Café Silvestre	HR	903 N Main St.		21-Jan
Firebrand	BW	108 N Main St.		30-Jan
5 B's BBQ	BW	303 E. Tomichi Ave. St. E		31-Jan
Mikey's Pizza	HR	303 E. Tomichi Ave. #2		2-Feb
House of China	HR	406 W Tomichi Ave.		8-Feb
Wet Grocer	RT	202 E Tomichi Ave.		13-Feb
Yard Bird	HR	107 S 12th St.		21-Feb
Blackstock Bistro	HR	122 W. Tomichi		4-Mar
Twisted Fork	HR	206 N Main St.		17-Mar
Pie-Zan's	HR	730 N Main St.		21-Mar
Gunnison Liquors	RT	603 W Tomichi		5-Apr
SODEXO	HR	600 N Adams St-WSCU Center		9-Apr
Open Your Eyes Gallery	GP	229 N Main St.		14-Apr
Mario's	BW	213 W. Tomichi Ave.		21-Apr
Love's	3.2 OFF	108 S. 12th St.		25-Apr
Alta Convenience	3.2 OFF	821 W Tomichi Ave.		29-Apr
High Alpine Brewing Co.	BP	111 N Main St.		6-May
I Bar Ranch	TV	850 CR 49414 N Pine St.		15-May
Gunnisack	TV	142 N Main St.		18-May
Double Shot Cyclery	HR	222 N Main St.		24-May
Las Palmas	HR	138 W. Tomichi Ave.		24-May
Powerstop	TV	905 N Main St.		28-May
Sportsmans Liquor	RT	713 W Tomichi Ave.		29-May
Ol' Miner	HR	139 N Main St.		30-May
Sherpa Café	HR	323 E. Tomichi		20-Jun
Gunnison Gallery	GP	124 N Main St.		5-Jul
High Mountain Liquor	RT	901 N Main St.		20-Jul
Wal Mart	3.2 OFF	900 N Main St.		27-Jul
El Paraiso	TV	112 S. Main St.		13-Aug
Anejo Bistro & Bar	HR	107 S. Main St.		19-Sep
Palisades	HR	820 N Main St.		25-Sep
City Market	3.2OFF	880 N Main St.		28-Sep
Agave Family Mexican Restaurant	HR	800 N. Main St.		15-Oct
Pizza Mountain	TV	226 N Main St.		25-Oct
Double Dragon	BW	113 W. Tomichi Ave.		2-Nov
Gunnison Arts Center	AL	102 S Main St.		5-Nov
Timbers	TV	136 W Tomichi Ave		27-Nov
Pizza Hut	3.2ON	800 W. Tomichi Ave.		28-Nov
Secret Creek	RT	810 N Main St.		22-Oct
Safeway	3.2OFF	112 S Spruce		25-Dec
Elks	CL	123 S. Main St.		31-Dec

39 LIQUOR LICENSES & 2 GALLERY PERMITS

HR=15 TV=6 CL=1 AL=1 BP=1 RT=5 BW=4 3.2 Off=5 3.2 ON=1

CURRENT CITY OF GUNNISON LICENSED MARIJUANA ESTABLISHMENTS

Retail store Issued 10/13/15 City# 15-01	Pure Industries LLC dba SOMA Wellness	500 W. Hwy 50 Unit 101
Retail store Issued 10/13/15 City# 15-02	ACME Healing Center of Gunnison LLC dba ACME Healing Center of Gunnison	620 S 9 th Street
Retail store PH 12/8/15 Issued 12/8/15 City# 15-03	Gunnison Cannabis LLC dba Rocky Mountain Cannabis	901 W. New York Ave.
Retail store PH 12/8/15 Issued 12/08/15 City# 15-04	East River Management; dba Growhouse Gunnison	811 N. Main Street
Retail store PH 12/15/15 Issued 12/15/15 City# 15-05	Roots RX Pete Tramm/ Robert Holmes	1198B N. Main St.
Retail Store PH 12/15/15 Issued 12/15/15 City# 15-06	MissKat Inc. dba Frosty Leaf Katina Steele	500 W. Hwy 50 Unit 102
Retail store PH 12/15/15 Issued 12/15/15 City# 15-07	The Colorado Cannabis Cabin LLC dba Colorado Cannabis Cabin Lou Costello	650 S. 11 th Street, Unit B
Retail Store PH 02/23/16 Issued 2/23/16 City# 16-08	White Porch LLC dba Hashish Hut	827 N Main Street
Retail Store PH 06/28/16 Issued City #	The Pot Shop LLC dba The Pot Shop John Billingsly	905B N. Main Street Application in process
Retail Store PH 06/28/16 PH cancelled resubmitting	Frozen Smoke LLC dba Frozen Some Staci R. Davis	500 W Hwy 50 Unit 103 Application in process

Receipts By Fee Report
 All Case Types and Sub-Types
 From 12/01/2015 to 05/31/2016
 Fee Type: Criminal: All Fees
 Total Only

Defendant	Charge	Received	Receipt	Amount
Fee: Bench Warrant Fees				
		Total For Bench Warrant Fees:		\$270.00
Fee: Court Costs				
		Total For Court Costs:		\$720.00
Fee: Deferral Sentence Fee				
		Total For Deferral Sentence Fee:		\$250.00
Fee: Fine				
		Total For Fine:		\$15,260.00
Fee: Fine not paid or postmarked within 30 days of violation				
		Total For Fine not paid or postmarked within 30 days of violation:		\$410.00
Fee: SafeRide Surcharge				
		Total For SafeRide Surcharge:		\$1,650.00
Fee: Shelter Fee				
		Total For Shelter Fee:		\$80.00
Fee: Victim Restitution				
		Total For Victim Restitution:		\$2,053.41
Total:				\$20,693.41