CITY OF CIRCLE PINES, MINNESOTA
REGULAR CITY COUNCIL MEETING
Circle Pines City Hall

May 27, 2025
7:00 P.M.

AGENDA

1. Call to Order

2. Roll Call

Dave Bartholomay, Mayor
Matt Percy, Council Member
Steve McChesney, Council Member
Nici Dorner, Council Member
Meagan Bachmayer, Council Member
Patrick Antonen, City Administrator

3. Setting of Agenda

Note: Consent Agenda items will be acted on with one motion unless a council member requests their placement on the regular agenda.

4. Comments

a. Taxpayer Comments
b. Council Member Comments
c. Mayor Comments

5. COMMITTEE REPORTS

a. Utilities Commission

6. COUNCIL BUSINESS

a. Consent Agenda

Item	Action
1. Minutes – May 13, 2025 (Enclosed)	Approve
2. General Disbursements (Enclosed)	Approve
3. Police Disbursements (Enclosed)	Approve
4. Fire Disbursements (Enclosed)	Approve
5. Licenses (Enclosed)	Approve

Council Action _____

b. 2024 Audit Report – L.B. Carlson (Enclosed)

Council Action _____

c. 2024 Roof Replacement Project on Public Works Building – Change Order 1

Council Action _____

d. 2025 Street Rehabilitation Project – Pay Voucher 1

Council Action _____

e. Anti-Drug and Alcohol Plan (Memo)

Council Action _____

f. _____

Council Action _____

7. ADJOURNMENT

CITY OF CIRCLE PINES, MINNESOTA
REGULAR CITY COUNCIL MEETING

Tuesday, May 13, 2025
Minutes

1. CALL TO ORDER

Mayor Bartholomay called the meeting to order at 7:00 p.m.

2. ROLL CALL

Council Members Bachmayer, Dorner, McChesney, and Percy were also present. City Administrator Antonen represented the staff.

3. SETTING OF AGENDA

Add Item 5.c. Anoka County Fire Protection Council

4. COMMENTS

a. Taxpayer Comments

- Seniors from Centennial High School were in attendance as a government class requirement.
- Circle Pines resident, Mark Sandmann, was present to invite everyone to the Fly-in Drive-in at the Blaine Airport from 8 a.m. to noon on Saturday, June 28th, that the Experimental Aircraft Association puts on.

b. Council Member Comments

Member Percy attended the Local Government Officials' meeting on April 30th with other members from Anoka County and received some updates on the following:

- The road construction that is going on across the county for the duration of the summer
- Safe Streets for All reports
- Legislative Update: What is going on at the Capitol
- Updates from the Cities

Member Bachmayer attended the Centennial Area Education Foundation Gala with Member Percy, where the foundation raised nearly $63,000 for students in our schools.

c. Mayor's Comments

Mayor Bartholomay commented on the following:

- Thanked Chandra Peterson and her team for a successful Recycle/Clean-up Day.

- The presentation and details of the City's monthly newsletter
- The status of the street project. City Administrator Antonen provided an overview of the status and what's to come.
- As part of the 75th anniversary celebration, the City and the Anoka County Historical Society will put on The Story Workshop tomorrow evening, May 14th, at City Hall from 5-7 p.m.
- A list of events included on the itinerary during August 1st and 2nd as part of the 75th Anniversary celebration.
- The League of Minnesota Cities invited him to attend the Insurance Trust gathering in Florida, which will be tomorrow through Saturday, to educate the different leagues of cities on how to work more effectively on a council and in difficult situations.

5. COMMITTEE REPORTS

a. Park Board

City Administrator Antonen reported that the Park Board met last Tuesday, on May 6th, where the 75th Anniversary celebration was discussed during a work session. The next meeting is on June 3rd, and the board will be planting the trees that a local family donated. The tentative date for the joint meeting of the Park Board and City Council to discuss plans for the parks is June 17th.

b. Police Governing Board

Mayor Bartholomay reported that the Police Governing Board met last night, and Member Dorner was also present. The meeting included the following highlights:

- Aaron Nielsen provided the details of the CLPD audit report. The report was good, finding no issues other than coming in a little under budget, so additional money was added to the reserves.
- The Chief's report noted that a new officer is going through the approval process.
- The City of Blaine will host the 3M Tournament July 21st – 27th. The police department is usually requested to provide support during the tournament, so a contract was pre-approved in the event officers are needed. The City of Blaine does reimburse for the cost of salaries and time.
- The Joint Powers Agreement was authorized to be part of the Anoka County Special Weapons and Tactics (SWAT) teams.
- A couple of donations were received, which included an art painting of a car, and Living Waters Lutheran Church donated several sports balls for the officers to give out to children.
- The department's new off-road electric bikes.

c. Anoka County Fire Protection Council

Council Member Matt Percy reported that the council met on Thursday, April 24th, in St. Francis. The meeting included the following highlights:

Updates:

- Public Safety Data System (PSDS), an electronic record-keeping system. The conversion is close to completion, with a target of all data converted by October of this year.
- Fire Training Academy: Several fire departments feel that the new firefighter recruits aren't quite at the level expected when getting started, and this has caused concern about the quality of education currently provided. The former fire chief of the Centennial Fire District, Jerry Streich, gave a presentation of all the different options explored for bringing the fire academy in-house. An in-depth discussion took place, which concluded with directing the fire chiefs to work on the in-house solution for regaining control of education and training for the academy. This is included in the 2026 budget, and the fire chiefs are beginning to explore putting together a plan and executing it starting next year.

2026 Budget: (*without and with the option of the in-house fire academy*)

- Without: The budget would increase from $503,000 in 2025 to $518,000 in 2026 due to increased cost of current expenditures.
- With: The budget would increase from $503,000 in 2025 to $655,000 in 2026, an overall budget increase of about $130,000.
- The Council approved $655,000 for the 2026 budget.

6. COUNCIL BUSINESS

a. Consent Agenda Items:

1. Minutes – April 22, 2025
2. General Fund Disbursements
3. Police Disbursements
4. Fire Disbursements
5. Licenses

Motion: Percy moved, seconded by McChesney, to approve the Consent Agenda with noted change.
Motion carried 5-0.

b. Centennial Community Education - Presentation

The director of Centennial Community Education, Cori Sendle, gave a presentation on community education, which included the following highlights:

- **Community Education: Available Programs**

Adult Enrichment	Adult Basic Education
Youth Enrichment	Middle School Programming
Kids Club	District Facilities
Early Childhood	Driver Education

- **Community Connections and Outreach**
- **Community Ed by the Numbers 07/2023-07/2024**
  Participants enrolled in youth and adult offerings: 14,7000
  New offers for youth and adults: 230
  Hours of District Facility space utilized beyond the school day: 14,650
  Students enrolled in English as a Second Language (ESL): 98
  Financial assistance is given to participants: $10,500
  Contributing partners in the community: 29

Council members and Cori Sendle commented on personal experiences with community education programs, the community education booklet that lists the details of available programs, classes, and events offered to the community, and sign-up and registration.

c. Connect Anoka County – 5-year Renewal Agreement

Antonen explained that this is the 5-year renewal agreement with Connect Anoka County, which is for the city's fiber-optic system used here at City Hall and the Public Works Shop. This renewal ensures that there won't be any interruptions to our service through 2030. There is an increase of $75 per month, which is the first increase in over 10 years and is still considerably lower than competitors' costs for the same service.

Staff recommended approving the 5-year renewal.

Motion: Dorner moved, seconded by Bachmayer, to approve the Connect Anoka County 5-year Renewal Agreement.
Motion carried 5-0.

7. ADJOURN TO WORK SESSION

- Discussion on the Pilot Project for Striping on West Golden Lake Road.

Motion: Percy moved, seconded by McChesney, to adjourn the meeting to a work session at 7:50 p.m.
Motion carried 5-0.

_____ _____

Mayor **City Administrator**

CITY OF CIRCLE PINES | City Council Disbursement Report | Page: 1
Input Dates: 5/9/2025 - 5/22/2025 | May 22, 2025 10:35AM

Name	Invoice	Description	Invoice Date	Total Cost
Advantage Signs & Graphics, Inc. (108)				
Advantage Signs & Gra	V0425-215C	Refund for Incorrect Qty of Center Park Signs	05/12/2025	369.50-
Total Advantage Signs & Graphics, Inc. (108):				369.50-
Amazon Capital Services (122)				
Amazon Capital Service	11YD-NK1Y-	Trash & Ziploc Bags	05/12/2025	47.95
Amazon Capital Service	11YD-NK1Y-	Shop Fox Outer & Inner Air Filter	05/12/2025	7.88
Amazon Capital Service	11YD-NK1Y-	Shop Fox Outer & Inner Air Filter, Remotes, Sunscreen	05/12/2025	184.07
Amazon Capital Service	17LD-MCLG-	Ziplock Bags, Laminating Sheets, & Cloth Towels	05/19/2025	149.69
Amazon Capital Service	17LD-MCLG-	Phone Card Holder for Gas Cards	05/19/2025	2.25
Amazon Capital Service	17LD-MCLG-	Phone Card Holder for Gas Cards & Banjo Hose Fittin	05/19/2025	12.72
Total Amazon Capital Services (122):				404.56
Anoka County (134)				
Anoka County	052225	Assessment Contract	05/13/2025	22,189.00
Total Anoka County (134):				22,189.00
Anoka County Treasury Dept (137)				
Anoka County Treasury	B250512F	May Broadband	05/13/2025	75.00
Anoka County Treasury	EC05052503	Local Government Meeting Meals-MP	05/06/2025	11.00
Total Anoka County Treasury Dept (137):				86.00
Batteries Plus Bulbs (157)				
Batteries Plus Bulbs	P82653342	Battery for '17 Toro 4110 Mower	05/20/2025	152.95
Total Batteries Plus Bulbs (157):				152.95
Blaine Citywide Lock & Safe, Inc. (166)				
Blaine Citywide Lock &	40856	9 Keys for Golden Lake Building	05/15/2025	162.00
Total Blaine Citywide Lock & Safe, Inc. (166):				162.00
Bryan Rock Products (178)				
Bryan Rock Products	69126	Red Ball Diamond Aglime for Baldwin Park - Centennia	05/15/2025	2,537.59
Bryan Rock Products	69127	Red Ball Diamond Aglime for Inner Park - Centennial B	05/15/2025	1,428.91
Bryan Rock Products	69127	Red Ball Diamond Aglime for Inner Park	05/15/2025	1,072.97
Bryan Rock Products	69128	Red Ball Diamond Aglime for Carl Eck Park - Centenni	05/15/2025	622.50
Bryan Rock Products	69128	Red Ball Diamond Aglime for Carl Eck Park	05/15/2025	622.49
Total Bryan Rock Products (178):				6,284.46
Centennial Area Chamber (544)				
Centennial Area Chamb	299	5/15 Lunch & Learn Meeting	05/19/2025	10.00
Total Centennial Area Chamber (544):				10.00
Cintas (208)				
Cintas	4231213106	City Hall Cleaning 5/21/25	05/21/2025	127.67
Cintas	4231213133	Shop Cleaning 5/21/25	05/21/2025	25.35
Cintas	4231213133	Shop Cleaning 5/21/25	05/21/2025	50.70

Name	Invoice	Description	Invoice Date	Total Cost
Total Cintas (208):				203.72
Connexus Energy (229)				
Connexus Energy	52225	April Electric	05/14/2025	237.09
Connexus Energy	52225	April Electric	05/14/2025	245.69
Connexus Energy	52225	April Electric	05/14/2025	72.85
Connexus Energy	52225	April Electric	05/14/2025	295.24
Connexus Energy	52225	April Electric	05/14/2025	1,349.20
Total Connexus Energy (229):				2,200.07
Continental Research Corp (232)				
Continental Research C	63109	Orange Jelled Degreaser	05/12/2025	36.00
Continental Research C	63109	Orange Jelled Degreaser	05/12/2025	69.00
Total Continental Research Corp (232):				105.00
Cross Nurseries Inc (811)				
Cross Nurseries Inc	053749	Ornamental Trees, Shrubs & Evergreens for Various L	05/14/2025	2,378.60
Total Cross Nurseries Inc (811):				2,378.60
Crosstown Mechanical, Inc (810)				
Crosstown Mechanical, I	203813	Service Call - Noisy Concessions Freezer @ GL Park	05/08/2025	378.00
Total Crosstown Mechanical, Inc (810):				378.00
Frattallone's Hardware & Garden (291)				
Frattallones	77000	Parks Water Tank Pump Repairs	05/14/2025	14.78
Total Frattallone's Hardware & Garden (291):				14.78
Gilbert Mechanical Contractors, LLC (301)				
Gilbert Mechanical Cont	260382	Annual Sprinkler Inspection @ Shop	05/15/2025	200.00
Gilbert Mechanical Cont	260383	Annual Sprinkler Inspection @ City Hall	05/15/2025	220.00
Total Gilbert Mechanical Contractors, LLC (301):				420.00
Grainger, Inc. (308)				
Grainger, Inc.	9512084196	Furnace Air Filters	05/19/2025	14.30
Grainger, Inc.	9512084196	Furnace Air Filters	05/19/2025	14.30
Total Grainger, Inc. (308):				28.60
Hinckley Ink (754)				
Hinckley Ink	1008544	Staff Uniforms	05/06/2025	102.50
Hinckley Ink	1008544	Staff Uniforms	05/06/2025	281.40
Hinckley Ink	1008544	Staff Uniforms	05/06/2025	938.40
Hinckley Ink	1008544	Staff Uniforms	05/06/2025	117.30
Hinckley Ink	1008544	Seasonal Concessions Uniforms	05/06/2025	252.00
Total Hinckley Ink (754):				1,691.60

Name	Invoice	Description	Invoice Date	Total Cost
Hugo Equipment (340)				
Hugo Equipment	217084	Chainsaw Chain	05/20/2025	53.98
Total Hugo Equipment (340):				53.98
Image Printing & Graphics, Inc (353)				
Image Printing & Graphi	170290	2025 Music on the Lake Postcards	05/21/2025	652.40
Image Printing & Graphi	170290	Postage for 2025 Music on the Lake Postcards	05/21/2025	445.29
Image Printing & Graphi	170310	Lettering for Street Cones & Traffic Equipment	05/22/2025	130.00
Total Image Printing & Graphics, Inc (353):				1,227.69
Inspec Inc. (768)				
Inspec Inc.	5738	Consulting for Public Works & Fire Department Roofs	05/12/2025	3,500.40
Total Inspec Inc. (768):				3,500.40
Lano Equipment, Inc. (396)				
Lano Equipment, Inc.	02-1153539	Repairs to UW56HA Tool Cat	05/16/2025	1,089.89
Lano Equipment, Inc.	02-1153539	Repairs to UW56HA Tool Cat	05/16/2025	467.10
Total Lano Equipment, Inc. (396):				1,556.99
LB Carlson LLP (792)				
LB Carlson LLP	248685	2024 Audit April Billing	05/12/2025	2,550.00
Total LB Carlson LLP (792):				2,550.00
Menards - Blaine (429)				
Menards - Blaine	84343	Silicone & Backer Board Screws for GL Cooktop	04/29/2025	31.83
Menards - Blaine	84973	Smartsiding for GL Cooktop	05/13/2025	13.42
Menards - Blaine	85122	Casters, Demo Blades, Gloves & Pencils	05/16/2025	53.28
Menards - Blaine	85122	Waterproof Electrial Box Cover	05/16/2025	1.04
Menards - Blaine	85122	Waterproof Electrial Box Cover	05/16/2025	1.04
Menards - Blaine	85122	Electrical Box Covers	05/16/2025	18.68
Total Menards - Blaine (429):				119.29
MTI Distributing, Inc. (476)				
MTI Distributing, Inc.	1468721-00	Mower Repairs	05/09/2025	1,929.32
Total MTI Distributing, Inc. (476):				1,929.32
Northern Sanitary Supply Co (497)				
Northern Sanitary Suppl	211036	Neutralizer & Dampmop Cleaner	05/15/2025	17.60
Northern Sanitary Suppl	211036	Neutralizer, Dampmop Cleaner, Urinal Screen & Mats	05/15/2025	142.97
Northern Sanitary Suppl	211036	Dampmop Cleaner	05/15/2025	5.85
Total Northern Sanitary Supply Co (497):				166.42
Philips Tree Care LLC (527)				
Philips Tree Care LLC	13266	Broadleaf Herbicide Application - Baldwin, Inner & Carl	05/13/2025	550.00

Name	Invoice	Description	Invoice Date	Total Cost
Total Philips Tree Care LLC (527):				550.00
Precision Landscape & Tree Inc. (539)				
Precision Landscape &	89883	Tree Removal & Stump Grinding Along Village Pkwy (3	05/21/2025	5,400.00
Total Precision Landscape & Tree Inc. (539):				5,400.00
Recycle Technologies (556)				
Recycle Technologies	255669	May Recycling Day	05/15/2025	1,860.50
Total Recycle Technologies (556):				1,860.50
Rum River Consultants (570)				
Rum River Consultants	939	Jan - April Building Inspections	05/15/2025	19,278.24
Rum River Consultants	939	Jan - April Call Log/Code Enforcement	05/15/2025	32.50
Total Rum River Consultants (570):				19,310.74
Sherwin-Williams Co (580)				
Sherwin-Williams Co	1467-3	Paint for Parks, Picnic Tables, PW Shop (10%) & Suppl	05/08/2025	180.39
Sherwin-Williams Co	1467-3	Paint for GL Concessions	05/08/2025	58.44
Sherwin-Williams Co	1467-3	Paint for Shop Building	05/08/2025	6.29
Sherwin-Williams Co	2894-9	Paint for Shop Building	05/20/2025	6.29
Sherwin-Williams Co	2894-9	Paint for Shop Building	05/20/2025	6.29
Total Sherwin-Williams Co (580):				257.70
Shred-N-Go, Inc (582)				
Shred-N-Go, Inc	182665	April Recycling Day Shredding	05/09/2025	2,025.00
Shred-N-Go, Inc	182665	Invoice 182020 Voided by Shred-N-Go After Updated i	05/09/2025	1,550.00-
Total Shred-N-Go, Inc (582):				475.00
The Watson Company (662)				
The Watson Company	149506	Resale for GL Concessions-Ice Cream, Popsicles, Pizz	05/14/2025	1,221.10
Total The Watson Company (662):				1,221.10
Valley-Rich Co, Inc (648)				
Valley-Rich Co, Inc	34454	Water Repairs done @ 6 North Rd	04/10/2025	7,231.79
Total Valley-Rich Co, Inc (648):				7,231.79
Xcel Energy (671)				
Xcel Energy	927158976	April Street Light Electric #51-6357048-7	05/22/2025	133.94
Total Xcel Energy (671):				133.94
Grand Totals:				83,884.70

CENTENNIAL LAKES POLICE DEPT | Police Disbursements Report | Page: 1
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Name	Invoice	Description	Invoice Date	Total Cost
Allegra Design Print Mail (405)				
Allegra Design Print	77307	CLPD Annual Report Booklets	05/07/2025	402.87
Total Allegra Design Print Mail (405):				402.87
ANOKA CO TREASURY OFFICE (116)				
ANOKA CO TREAS	B250512D	May Broadband (CAC Fiber)	05/22/2025	75.00
Total ANOKA CO TREASURY OFFICE (116):				75.00
ANOKA COUNTY SHERIFF'S OFFICE (119)				
ANOKA COUNTY S	050725	SWAT Membership (start date 6/1/25)	05/07/2025	1,750.00
Total ANOKA COUNTY SHERIFF'S OFFICE (119):				1,750.00
AXON ENTERPRISE, INC (129)				
AXON ENTERPRIS	INUS345081	Taser Battery pack -qty 4, Axon Taser - Evidence.com License	05/07/2025	10,927.20
Total AXON ENTERPRISE, INC (129):				10,927.20
Barna, Guzy & Steffen Ltd. (412)				
Barna, Guzy & Steff	296853	Legal Fees for Employment Issue	04/30/2025	1,270.50
Total Barna, Guzy & Steffen Ltd. (412):				1,270.50
CONNEXUS ENERGY (170)				
CONNEXUS ENER	52225	Apr Electric	05/22/2025	1,288.87
Total CONNEXUS ENERGY (170):				1,288.87
E C S I, LLC (191)				
E C S I, LLC	25040753	2025 Annual Fire Alarm Inspection	05/07/2025	260.00
Total E C S I, LLC (191):				260.00
GEORGE'S INC (210)				
GEORGE'S INC	3478	'25 Explorer #125 Oil and fitler change, addl qt of oil	05/06/2025	77.00
GEORGE'S INC	3499	'16 Taurus Replace brake switch, scan ecm	05/19/2025	197.00
Total GEORGE'S INC (210):				274.00
HealthPartners, Inc. (220)				
HealthPartners, Inc.	7103020	May Employee Assistance Program Premium	05/15/2025	12.35
HealthPartners, Inc.	7103020	May Employee Assistance Program - Due From City	05/15/2025	33.60
HealthPartners, Inc.	7103020	May Employee Assistance Program - Due From Fire	05/15/2025	33.60
HealthPartners, Inc.	8784945059	Jun Health Insurance Prem	05/15/2025	15,120.50
HealthPartners, Inc.	8784945059	Jun Health Insurance Prem-Reimbursable	05/15/2025	620.36
Total HealthPartners, Inc. (220):				15,820.41
Language Line Services (421)				
Language Line Serv	11590503	Over-the-phone interpretation, Spanish 4/12, 4/20, 4/25, 4/26	04/30/2025	3.09

Name	Invoice	Description	Invoice Date	Total Cost
Total Language Line Services (421):				3.09
LB Carlson LLP (492)				
LB Carlson LLP	248691	2024 Audit, Final Billing	05/12/2025	1,765.00
Total LB Carlson LLP (492):				1,765.00
Metro-INET (419)				
Metro-INET	2689	May Phone & IT Services	05/15/2025	8,174.00
Total Metro-INET (419):				8,174.00
MHSRC/RANGE (282)				
MHSRC/RANGE	11863	EVOC/PIT REFRESHER HYBRID c a - NW	05/19/2025	525.00
Total MHSRC/RANGE (282):				525.00
OFFICE OF MN IT SERVICES (309)				
OFFICE OF MN IT	DV25040429	Apr WAN Services	05/15/2025	44.60
Total OFFICE OF MN IT SERVICES (309):				44.60
PURCHASE POWER INC (336)				
PURCHASE POWE	052225 tg	Meter refill	05/13/2025	214.99
Total PURCHASE POWER INC (336):				214.99
TASC (369)				
TASC	IN3450890	COBRA TASC Admin Fee 7/1/25-9/30/25	05/17/2025	84.90
Total TASC (369):				84.90
Grand Totals:				42,880.43

CENTENNIAL FIRE DISTRICT | Fire Disbursement Report | Page: 1
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Name	Invoice	Description	Invoice Date	Total Cost
ANOKA CO FIRE PROTECT. COUNCIL (119)				
ANOKA CO FIRE PROTE	357	2025 Annual Membership Dues	05/27/2025	700.00
ANOKA CO FIRE PROTE	398	2025 Annual RMS Cost (Circle Pines)	05/27/2025	3,469.00
Total ANOKA CO FIRE PROTECT. COUNCIL (119):				4,169.00
ANOKA COUNTY (120)				
ANOKA COUNTY	AR022785	APX Battery - Portable Radios	05/27/2025	106.50
Total ANOKA COUNTY (120):				106.50
ANOKA COUNTY TREASURY DEPT. (121)				
ANOKA COUNTY TREAS	B250512C	MAY - Broadband (CAC Fiber)	05/27/2025	112.50
Total ANOKA COUNTY TREASURY DEPT. (121):				112.50
CONNEXUS ENERGY (149)				
CONNEXUS ENERGY	05 27 2025	4/7/2025 - 05/7/2025 Electric (for Station 1)	05/27/2025	536.85
Total CONNEXUS ENERGY (149):				536.85
EMERGENCY APPARATUS MAINT, INC (163)				
EMERGENCY APPARATU	136167	Quint L-1: Coolant leak repair	05/27/2025	370.09
Total EMERGENCY APPARATUS MAINT, INC (163):				370.09
FIRE SAFETY USA, INC (178)				
FIRE SAFETY USA, INC	201625	Eagle Compressor - Annual Service (4/25 & 5/15)	05/27/2025	1,801.79
FIRE SAFETY USA, INC	201653	Engine 3: Pump panel repair	05/27/2025	747.39
FIRE SAFETY USA, INC	201654	Ladder 1: DS Auxiliary valve repair, rebuilding OS valves	05/27/2025	1,920.80
Total FIRE SAFETY USA, INC (178):				4,469.98
Hallberg Marine (344)				
Hallberg Marine	01-1001649	Boat Lift - 2025 Hewitt LOAH26	05/15/2025	10,409.00
Total Hallberg Marine (344):				10,409.00
IMAGE PRINTING & GRAPHICS INC (201)				
IMAGE PRINTING & GRA	170214	BUSINESS CARDS: Matthias Gosch (250)	05/27/2025	47.75
Total IMAGE PRINTING & GRAPHICS INC (201):				47.75
LB Carlson LLP (341)				
LB Carlson LLP	248692	2024 Audit, FINAL BILLING	05/27/2025	1,765.00
Total LB Carlson LLP (341):				1,765.00
Metro-INET (223)				
Metro-INET	2688	MAY - Phone & IT Services	05/27/2025	2,688.00
Total Metro-INET (223):				2,688.00

Name	Invoice	Description	Invoice Date	Total Cost
US BANK (284)				
US BANK	05 27 2025	Return: U Bolts	05/27/2025	57.27-
US BANK	05 27 2025	U Bolts	05/27/2025	21.24
US BANK	05 27 2025	Drill bit	05/27/2025	22.93
US BANK	05 27 2025	Laminating pouches	05/27/2025	19.33
US BANK	05 27 2025	Bottled water	05/27/2025	139.60
US BANK	05 27 2025	Lithium battery packs (2)	05/27/2025	107.98
US BANK	05 27 2025	Rapid charger for lithium batteries	05/27/2025	47.98
US BANK	05 27 2025	Ball trailer dacromet coupler hitch	05/27/2025	87.44
US BANK	05 27 2025	Paper towels, Comet cleaner, Clorox wipes	05/27/2025	71.32
US BANK	05 27 2025	Diesel exhaust fluid (3), fuel premix, gas can	05/27/2025	61.70
US BANK	05 27 2025	50' all-rubber ext. cord (3), Bar and chain oil	05/27/2025	201.95
US BANK	05 27 2025	50' Rubber water hose (2), U-bolt	05/27/2025	74.77
US BANK	05 27 2025	Return: Ball trailer dacromet coupler hitch	05/27/2025	87.44-
US BANK	05 27 2025	Outdoor Command clip (16 pk)	05/27/2025	9.93
US BANK	05 27 2025	Perm. markers and pens	05/27/2025	18.38
US BANK	05 27 2025	SmokeChaser Fire Pump - 5 gal. (5)	05/27/2025	1,488.82
US BANK	05 27 2025	Ford Explorer: Wiper blades	05/27/2025	51.88
US BANK	05 27 2025	Moen sink side sprayer (Station 3)	05/27/2025	29.97
US BANK	05 27 2025	Kwik Trip purchase (reimbursed)	05/27/2025	3.01
US BANK	05 27 2025	Brass pipe fittings (Station 3)	05/27/2025	11.30
US BANK	05 27 2025	Safety Glasses (30 pk)	05/27/2025	36.99
US BANK	05 27 2025	Ram: Oil Change, tire rotation	05/27/2025	124.00
Total US BANK (284):				2,485.81
Grand Totals:				27,160.48

2025 License for Approval

All licenses on this list have insurance, bond & worker's comp if applicable, and have paid fee.

Date for Council Approval: 05/27/2025

	Company	License type
1	MN All Seasons Comforts, LLC	HVAC
2		
3		
4		
5		
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11		

Management Report

for

City of Circle Pines, Minnesota

December 31, 2024

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LB | CARLSON

To the City Council and Management
City of Circle Pines, Minnesota

We have prepared this management report in conjunction with our audit of the City of Circle Pines, Minnesota's (the City) financial statements for the year ended December 31, 2024. We have organized this report into the following sections:

- Audit Summary
- Governmental Funds Overview
- Enterprise Funds Overview
- Government-Wide Financial Statements
- Accounting and Auditing Updates

We would be pleased to further discuss any of the information contained in this report or any other concerns that you would like us to address. We would also like to express our thanks for the courtesy and assistance extended to us during the course of our audit.

The purpose of this report is solely to provide those charged with governance of the City, management, and those who have responsibility for oversight of the financial reporting process comments resulting from our audit process and information relevant to city finances in Minnesota. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

LB Carlson, LLP

LB CARLSON, LLP
Minneapolis, Minnesota

May 8, 2025

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AUDIT SUMMARY

The following is a summary of our audit work, key conclusions, and other information that we consider important or that is required to be communicated to the City Council, administration, or those charged with governance of the City.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA AND *GOVERNMENT AUDITING STANDARDS*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2024. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate the following information related to our audit.

PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously discussed and coordinated in order to obtain sufficient audit evidence and complete an effective audit.

AUDIT OPINIONS AND FINDINGS

Based on our audit of the City's financial statements for the year ended December 31, 2024:

- We have issued unmodified opinions on the City's basic financial statements.

- We reported one matter involving the City's internal control over financial reporting that we consider to be a material weakness, as described in the Schedule of Findings and Responses in the financial statements. Due to the limited size of the City's office staff, the City has limited segregation of duties in certain areas.

- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards.*

- We reported no findings based on our testing of the City's compliance with Minnesota laws and regulations.

FUND BALANCE DEFICIT

As reported in the City's Financial Statements, the Tax Increment District No. 1-4 North Special Revenue Fund had a year-end deficit fund balance of $4,421. Management has disclosed that this deficit will be eliminated with future tax increments.

SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 of the notes to basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- **Depreciation** – Management's estimates of depreciation expense are based on the estimated useful lives of the assets.

- **Compensated Absences** – Management's estimate is based on current rates of pay, unused compensated absence balances, and the likelihood compensated absences will be paid out over the course of employment or at termination.

- **Pension Benefits** – The City has recorded amounts and activities for pension benefits. Actuarial estimates of the net pension balances are calculated using actuarial methodologies described in Governmental Accounting Standards Board Statement No. 68. The actuarial calculations include significant assumptions, including projected changes, investment returns, retirement ages, proportionate share, and employee turnover.

We evaluated the key factors and assumptions used by management to develop these accounting estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures included in the notes to the basic financial statements related to pension benefits are particularly sensitive, due to the materiality of the liabilities, and the large and complex estimates involved in determining the disclosures.

The financial statement disclosures are neutral, consistent, and clear.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing and completing our audit.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this report, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated May 8, 2025.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

OTHER MATTERS

We applied certain limited procedures to the management's discussion and analysis (MD&A) and the required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining fund statements and schedules, reported as supplementary information accompanying the financial statements, which are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section, which accompanies the financial statements, but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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GOVERNMENTAL FUNDS OVERVIEW

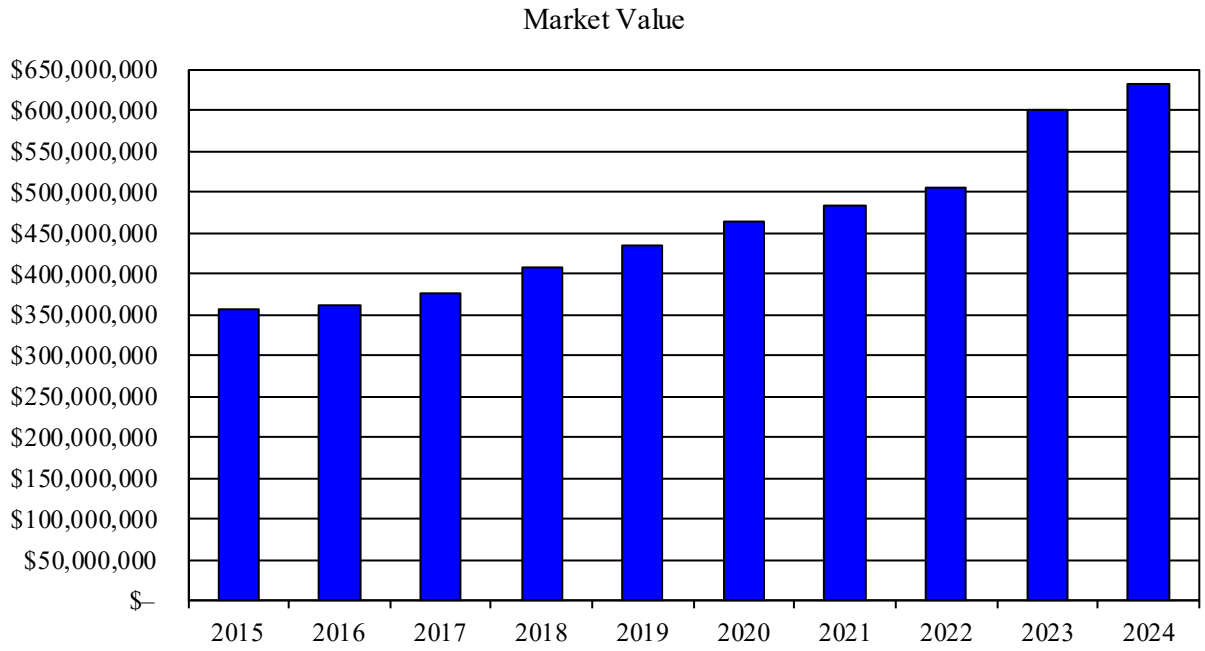
This section of the report provides you with an overview of the financial trends and activities of the City's governmental funds, which includes the General, special revenue, debt service, and capital project funds. These funds are used to account for the basic services the City provides to all of its citizens, which are financed primarily with property taxes. The governmental fund information in the City's financial statements focuses on budgetary compliance and the sufficiency of each governmental fund's current assets to finance its current liabilities.

PROPERTY TAXES

Minnesota cities rely heavily on local property tax levies to support their governmental fund activities. For the 2022 fiscal year (the most recent comparative state-wide data available), local ad valorem property tax levies provided 44.1 percent of the total governmental fund revenues for cities over 2,500 in population, and 35.2 percent for cities under 2,500 in population. Total property taxes levied by all Minnesota cities for taxes payable in 2024 increased 7.5 percent compared to the prior year, and 7.7 percent for taxes payable in 2025.

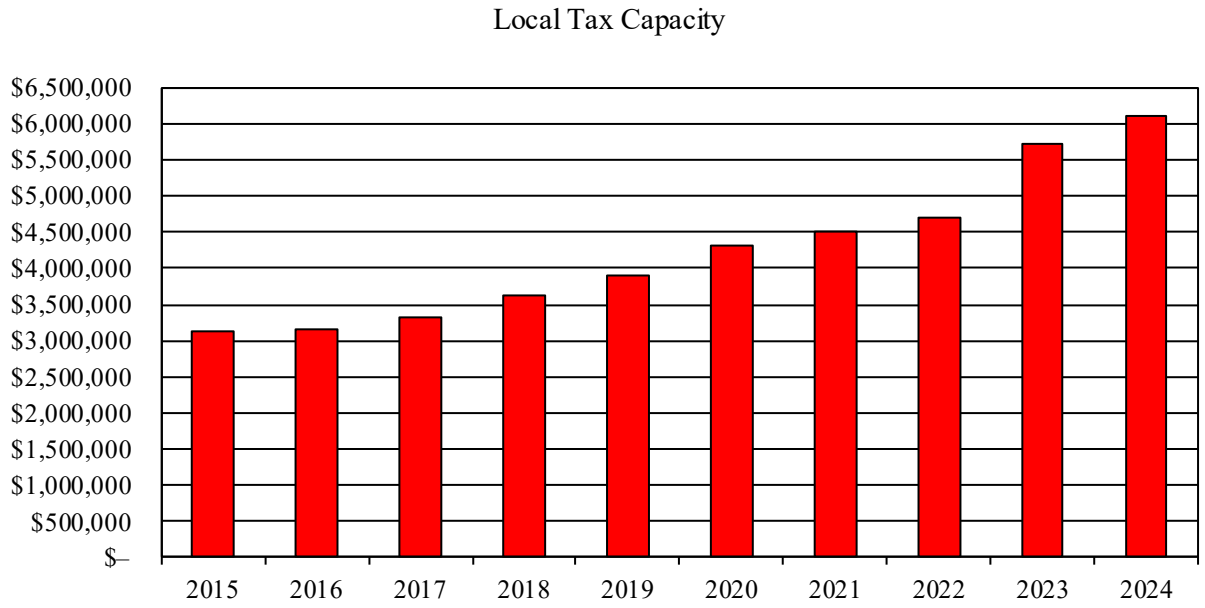
The taxable net tax capacity value of property in Minnesota cities increased about 8.4 percent for the 2024 levy year. The tax capacity values used for levying property taxes are based on the assessed market values for the previous fiscal year (e.g., tax capacity values for taxes levied in 2024 were based on assessed market values as of January 1, 2023), so the trend of change in these tax capacity values lags somewhat behind the housing market and economy in general.

The City's market value increased 18.6 percent for taxes payable in 2023 and increased 5.6 percent for taxes payable in 2024. The following graph shows the City's changes in estimated market value over the past 10 years:



Tax capacity is considered the actual base available for taxation. It is calculated by applying the state's property classification system to each property's market value. Each property classification, such as commercial or residential, has a different calculation and uses different rates. Consequently, a city's total tax capacity will change at a different rate than its total market value, as tax capacity is affected by the proportion of its tax base that is in each property classification from year-to-year, as well as legislative changes to tax rates. The City's tax capacity increased 21.8 percent and 6.5 percent for taxes payable in 2023 and 2024, respectively.

The following graph shows the City's change in tax capacities over the past 10 years:



The following table presents the average tax rates applied to city residents for each of the last three levy years:

Rates Expressed as a Percentage of Net Tax Capacity

	City of Circle Pines		
	2022	2023	2024
Average tax rate			
City	46.6	44.0	42.8
County	29.6	24.5	25.6
School	31.1	25.2	23.6
Special taxing	4.3	3.7	3.4
Total	111.6	97.4	95.4

The overall decrease in the average tax rate was spread across most of the taxing authorities, as presented in the table above. Increases in property valuations contributed to the change in the average tax rate.

GOVERNMENTAL FUND BALANCES

The following table summarizes the changes in the fund balances of the City's governmental funds during the year ended December 31, 2024, presented both by fund balance classification and by fund:

Governmental Funds Change in Fund Balance

	Fund Balance as of December 31, 2024	Fund Balance as of December 31, 2023	Change
Fund balances of governmental funds			
Total by classification			
Nonspendable	$ 6,139	$ 1,013	$ 5,126
Restricted	844,750	1,351,378	(506,628)
Assigned	8,629,330	9,469,679	(840,349)
Unassigned	1,027,109	1,208,741	(181,632)
Total governmental funds	$ 10,507,328	$ 12,030,811	$ (1,523,483)
Total by fund			
General	$ 4,165,391	$ 4,223,283	$ (57,892)
Special Revenue Funds			
Tax Increment District No. 1-4 North	(4,421)	(60,153)	55,732
Debt Service Fund			
G.O. Capital Notes of 2016	66,846	56,900	9,946
Capital Project Fund			
Street Project	3,717,779	3,948,719	(230,940)
Permanent Improvement Revolving	609,305	1,407,046	(797,741)
Nonmajor	1,952,428	2,455,016	(502,588)
Total governmental funds	$ 10,507,328	$ 12,030,811	$ (1,523,483)

In total, fund balances of the City's governmental funds decreased, as noted above, during the year ended December 31, 2024. The largest change in the current year was the decrease in assigned fund balance, due to the purchase of property using available resources in the Permanent Improvement Revolving Fund. Restricted fund balance also decreased, due to the City spending its entire allocation of public safety aid in 2024 and spending down available resources to make scheduled debt service payments.

GOVERNMENTAL FUNDS REVENUE

The following table presents the per capita revenue of the City's governmental funds for the past four years, along with state-wide averages.

We have included the most recent comparative state-wide averages available from the Office of the State Auditor to provide a benchmark for interpreting the City's data. The amounts received from the typical major sources of governmental fund revenue will naturally vary between cities based on factors such as a city's stage of development, location, size and density of its population, property values, services it provides, and other attributes. It will also differ from year-to-year, due to the effect of inflation and changes in its operation. Also, certain data in these tables may be classified differently than how they appear in the City's financial statements in order to be more comparable to the state-wide information, particularly in separating capital expenditures from current expenditures.

We have designed this section of our management report using per capita data in order to better identify unique or unusual trends and activities of the City. We intend for this type of comparative and trend information to complement, rather than duplicate, information in the MD&A. An inherent difficulty in presenting per capita information is the accuracy of the population count, which for most years is based on estimates.

Governmental Funds Revenue per Capita
With State-Wide Averages

	State-Wide		City of Circle Pines			
Year	2021	2022	2021	2022	2023	2024
Population	2,500–10,000	2,500–10,000	4,974	4,915	5,055	5,055
Property taxes	$ 560	$ 586	$ 561	$ 591	$ 595	$ 606
Tax increments	38	37	41	44	38	44
Franchise and other taxes	52	56	29	30	28	27
Special assessments	59	51	70	96	55	48
Licenses and permits	45	43	15	15	21	20
Intergovernmental revenues	421	400	164	214	204	151
Charges for services	135	154	8	8	9	9
Other	60	32	52	4	137	171
Total revenue	$ 1,370	$ 1,359	$ 940	$ 1,002	$ 1,087	$ 1,076

The City's governmental funds have typically generated less revenue per capita (in total) than other Minnesota cities in its population class. A city's stage of development, along with the way a city finances various capital projects, will impact the mix of revenue sources it receives.

In 2024, governmental funds generated $5,434,684 in revenues, which was $59,877 less than the prior year. The City's per capita governmental fund revenues for 2024 were $1,076, a decrease of $11 per capita from the prior year. The largest changes occurred in the intergovernmental revenues and other sources. A decrease in intergovernmental revenues was due to the City receiving the aforementioned one-time public safety aid at the end of 2023. The "other" category increased, primarily with improved investment earnings.

GOVERNMENTAL FUNDS EXPENDITURES

The expenditures of governmental funds will also vary from state-wide averages and from year-to-year, based on the City's circumstances. Expenditures are classified into three types as follows:

- **Current** – These are typically the general operating type expenditures occurring on an annual basis, and are primarily funded by general sources, such as taxes and intergovernmental revenues.

- **Capital Outlay and Construction** – These expenditures do not occur on a consistent basis, more typically fluctuating significantly from year-to-year. Many of these expenditures are project-oriented and are often funded by specific sources that have benefited from the expenditure, such as special assessment improvement projects.

- **Debt Service** – Although the expenditures for debt service may be relatively consistent over the term of the respective debt, the funding source is the important factor. Some debt may be repaid through specific sources, such as special assessments or redevelopment funding, while other debt may be repaid with general property taxes.

The City's expenditures per capita of its governmental funds for the past four years, together with comparative state-wide averages, are presented in the following table:

Governmental Funds Expenditures per Capita
With State-Wide Averages

	State-Wide		City of Circle Pines			
Year	2021	2022	2021	2022	2023	2024
Population	2,500–10,000	2,500–10,000	4,974	4,915	5,055	5,055
Current						
General government	$ 168	$ 172	$ 129	$ 135	$ 131	$ 128
Public safety	327	343	309	326	322	360
Public works	144	163	53	61	69	66
Parks and recreation	108	121	106	118	128	148
All other	101	86	–	–	–	–
Total current	848	885	597	640	650	702
Capital outlay and construction	525	509	111	973	80	390
Debt service						
Principal	168	163	259	231	231	246
Interest and fiscal charges	48	43	75	69	66	56
Total debt service	216	206	334	300	297	302
Total expenditures	$ 1,589	$ 1,600	$ 1,042	$ 1,913	$ 1,027	$ 1,394

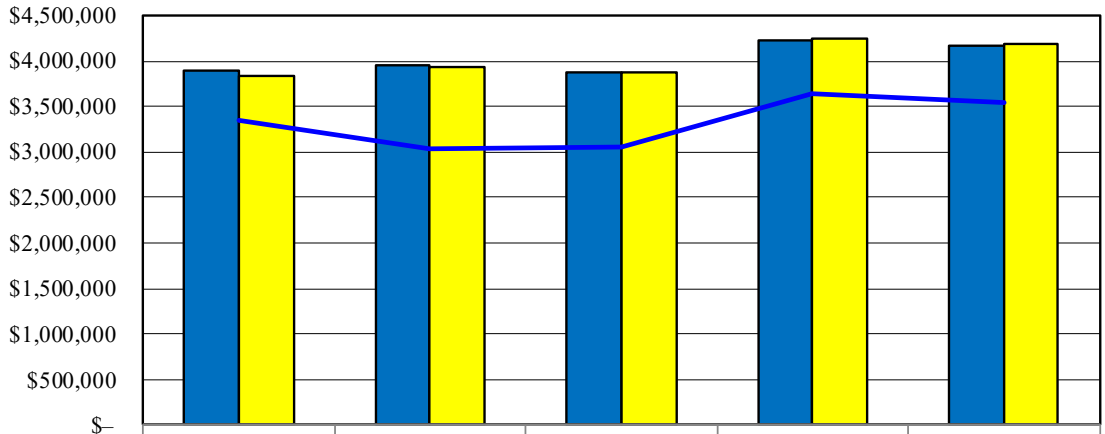
Total expenditures in the City's governmental funds for 2024 were $7,045,649, an increase of $1,852,274. The City's per capita governmental funds current expenditures for 2024 were $702, an increase of $52 per capita, as planned in the General Fund budget. Increased spending for inflationary adjustments and improved staffing levels was most significant in the public safety and parks and recreation categories as noted in the table above.

Capital outlay and construction increased by $310 per capita, with increases for a roofing project, street project planning, and the purchase of land in 2024. Debt service expenditures increased, as anticipated, within approved debt financing plans.

GENERAL FUND FINANCIAL POSITION

The City's General Fund accounts for the financial activity of the basic services provided to the community. The primary services included within this fund are the administration of the municipal operation, police and fire protection, building inspection, street maintenance, and parks and recreation. The following graph displays the City's General Fund trends of financial position and changes in the volume of financial activity over the last five years. Fund balance and cash balance are typically used as indicators of financial health or equity, while annual revenues are often used to measure the size of the operation.

General Fund Financial Position
Year Ended December 31,



	2020	2021	2022	2023	2024
Fund Balance	$3,884,864	$3,944,660	$3,865,654	$4,223,283	$4,165,391
Cash Balance	$3,842,160	$3,934,134	$3,867,348	$4,236,769	$4,180,627
Revenue	$3,353,916	$3,026,571	$3,059,381	$3,634,832	$3,541,070

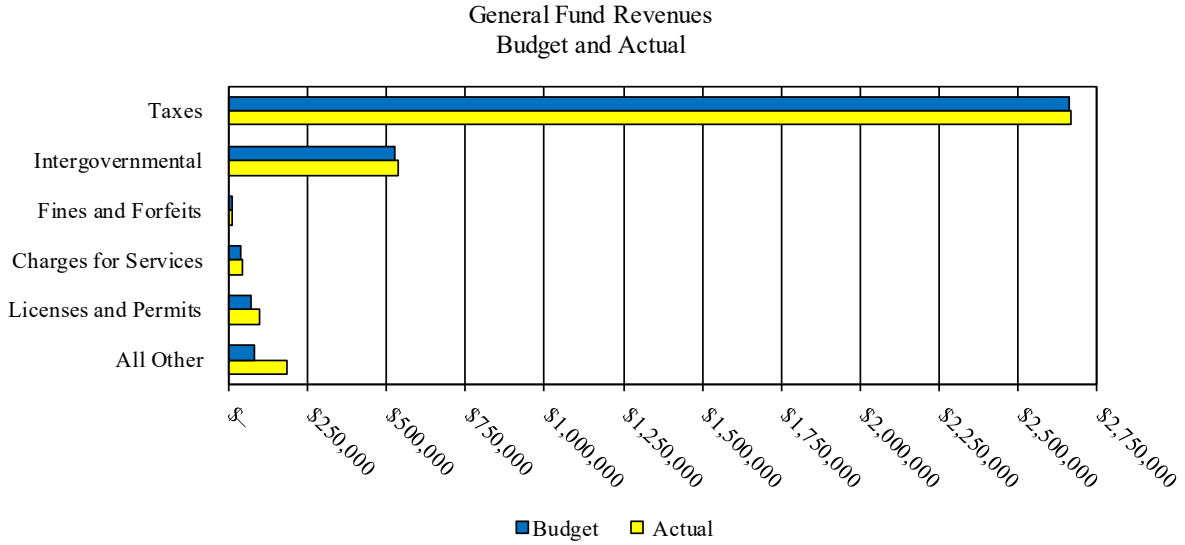
The City's General Fund cash and investments balance on December 31, 2024 was $4,180,627, a decrease of $56,142 from the previous year. Total fund balance at year-end was $4,165,391, a decrease of $57,892 from the prior year, as compared to a decrease of $193,795 planned in the final budget.

As the graph illustrates, the City has generally been able to maintain stable cash and fund balance levels as the volume of financial activity has fluctuated. This is an important factor because a government, like any organization, requires a certain amount of equity to operate. A healthy financial position allows the City to avoid volatility in tax rates; helps minimize the impact of state funding changes; allows for the adequate and consistent funding of services, repairs, and unexpected costs; and is a factor in determining the City's bond rating and resulting interest costs.

A trend that is typical of Minnesota local governments, especially the General Fund of cities, is the unusual cash flow experienced throughout the year. The City's General Fund cash disbursements are made fairly evenly during the year, other than the impact of seasonal services, such as snowplowing, street maintenance, and park activities. Cash receipts of the General Fund are quite a different story. Property taxes comprise about 75.1 percent of the fund's total annual revenue. Approximately half of these revenues are received by the City at mid-year and the rest at year-end. Consequently, the City needs to have adequate cash reserves to finance its everyday operations between these payments.

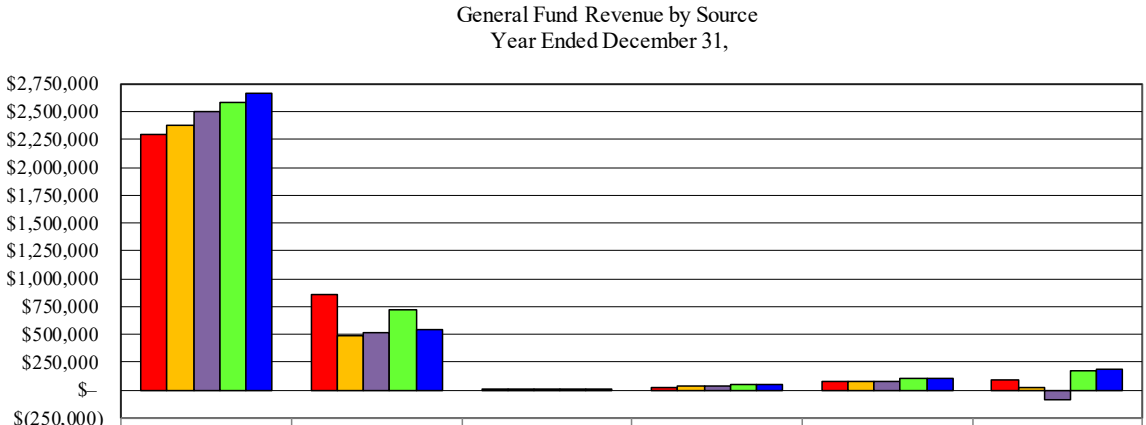
GENERAL FUND REVENUES

The following graph reflects the City's General Fund revenues, budget and actual, for 2024:



General Fund revenue totaled $3,541,070 in 2024, representing a decrease of $93,762 (2.6 percent) when compared to the previous year, and $156,974 more than budget. Investment earnings (included in "all other") were more than budget by $103,053, due to better-than-expected returns in the current year. Licenses and permits were more than projected, largely due to conservative budgeting for this source.

The following graph presents the City's General Fund revenue by source for the last five years:

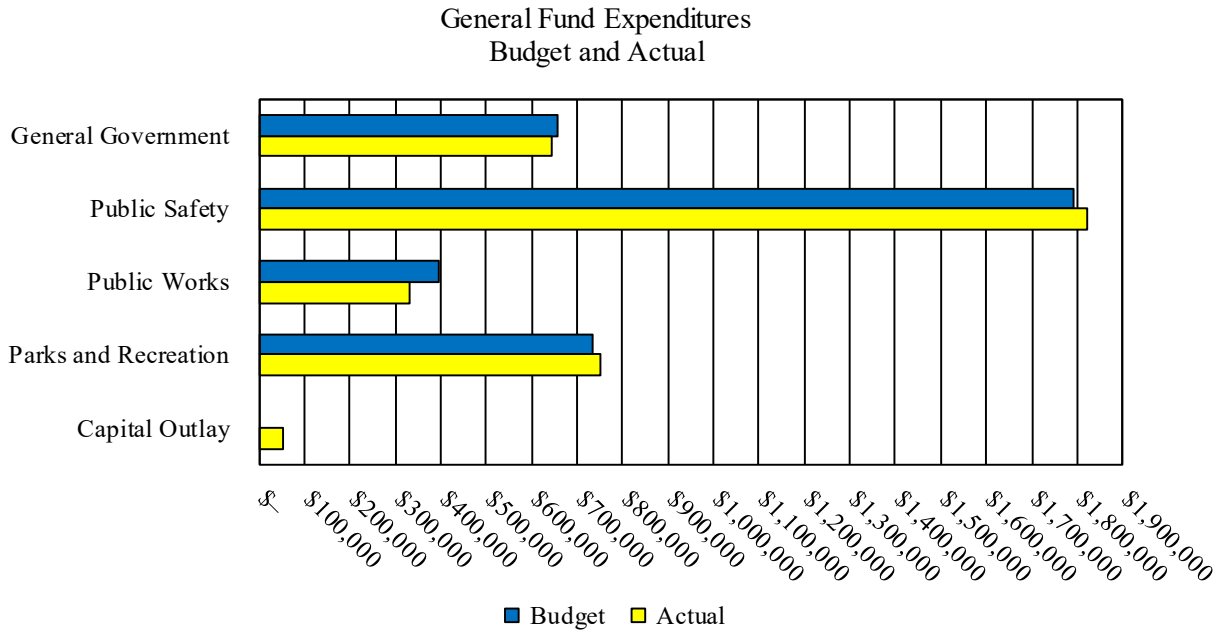


	Taxes	Intergovernmental	Fines and Forfeits	Charges for Services	Licenses and Permits	All Other
2020	$2,292,364	$863,468	$9,429	$16,402	$77,935	$94,318
2021	$2,381,598	$487,231	$12,328	$41,716	$76,361	$27,337
2022	$2,503,674	$511,024	$13,277	$39,176	$72,171	$(79,941)
2023	$2,579,172	$722,785	$9,139	$45,781	$106,241	$171,714
2024	$2,667,145	$536,853	$10,055	$44,532	$99,079	$183,406

The graph reflects the City's reliance on property taxes, in relation to other sources of revenue. In 2024, taxes represented 75.3 percent of General Fund revenues. This places a greater emphasis for other governmental funds to be self-supporting and enterprise funds to be profitable, to absorb overhead costs. Taxes were up in the current year by $87,973, largely due to the increase in the approved levy. The largest change in the above graph was the offsetting decrease ($185,932) in intergovernmental revenues, due to the City receiving one-time public safety aid in 2023.

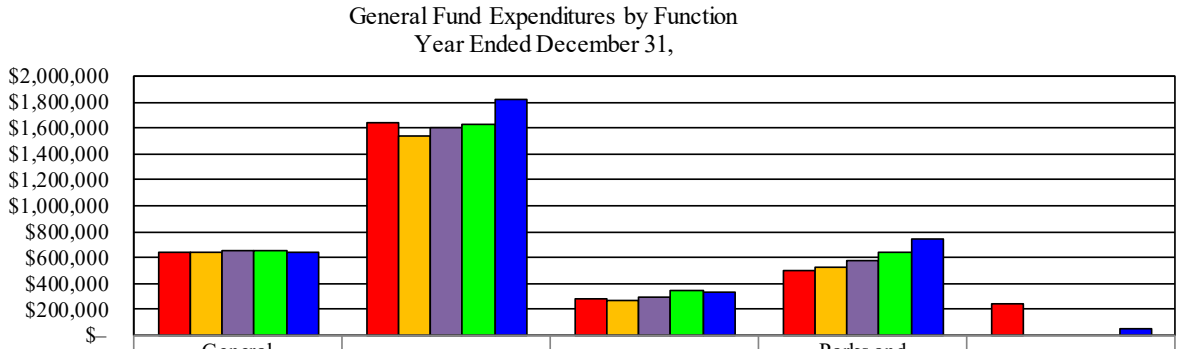
GENERAL FUND EXPENDITURES

The following graph reflects the City's General Fund expenditures, budget and actual, for 2024:



Expenditures in the General Fund totaled $3,598,962, which was an increase of $321,759 (9.8 percent) over the prior year, and $21,071 over budget. Overall, expenditures were 0.6 percent over budget, with the largest overspending in capital outlay for unbudgeted contributions to the fire district for new fire equipment.

The following graph presents the City's General Fund expenditures by function for the last five years:



	General Government	Public Safety	Public Works	Parks and Recreation	Capital Outlay
2020	$647,411	$1,640,949	$286,479	$504,312	$241,553
2021	$636,593	$1,537,902	$264,205	$528,075	$–
2022	$660,169	$1,600,964	$298,563	$578,691	$–
2023	$658,151	$1,626,723	$347,393	$644,936	$–
2024	$642,893	$1,821,930	$331,453	$749,686	$53,000

A commonality to cities state-wide, public safety is the largest area of spending for the City. The previous table on spending per capita indicates that the City is close to state-wide averages in this spending category. The increase of expenditures in the General Fund are largely in public safety and parks and recreation. Spending was up due to more wages and insurance with inflation and more employees.

ENTERPRISE FUNDS OVERVIEW

The City maintains enterprise funds to account for services the City provides that are financed primarily through fees charged to those utilizing the service. This section of the report provides you with an overview of the financial trends and activities of the City's enterprise funds, which include the Gas Utility, Water Utility, Sewer Utility, Storm Water Utility, and Solid Waste Utility Funds.

ENTERPRISE FUNDS FINANCIAL POSITION

The following table summarizes the changes in the financial position of the City's enterprise funds during the year ended December 31, 2024, presented both by classification and by fund:

Enterprise Funds Change in Financial Position

	Net Position as of December 31, 2024	Net Position as of December 31, 2023*	Change
Net position of enterprise funds			
Total by classification			
Net investment in capital assets	$ 11,227,037	$ 11,130,327	$ 96,710
Unrestricted	4,140,466	3,835,254	305,212
Total enterprise funds	$ 15,367,503	$ 14,965,581	$ 401,922
Total by fund			
Gas Utility	$ 3,783,538	$ 3,301,797	$ 481,741
Water Utility	5,175,190	5,142,469	32,721
Sewer Utility	2,653,736	2,735,493	(81,757)
Storm Water Utility	2,609,556	2,632,761	(23,205)
Solid Waste Utility	1,145,483	1,153,061	(7,578)
Total enterprise funds	$ 15,367,503	$ 14,965,581	$ 401,922

* Prior to fiscal 2024 the Gas Utility Fund was split into three separate utility funds. Prior year's data has been restated to be consistent with the current year presentation.

In total, the net position of the City's enterprise funds increased by $401,922 during the year ended December 31, 2024. Individual enterprise funds are discussed on the following pages.

GAS UTILITY FUND

The Circle Pines Gas Utility Fund had a total cash balance of $447,768 (net of borrowing) and an unrestricted net position of $75,994 as of December 31, 2024

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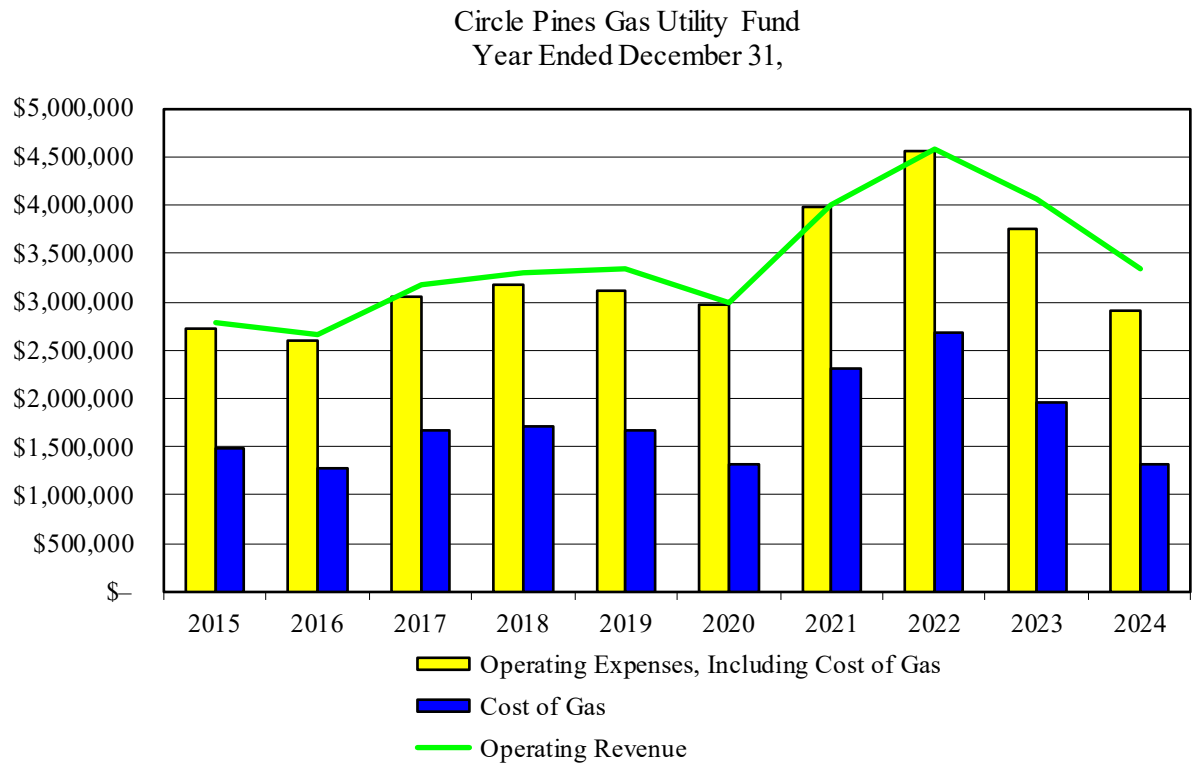


The above graph clearly illustrates the impact of fluctuations in the market price of gas and changes in weather patterns on the Gas Utility Fund's operations. The Gas Utility Fund had operating income of $431,740 in 2024, compared to operating income of $299,573 in 2023.

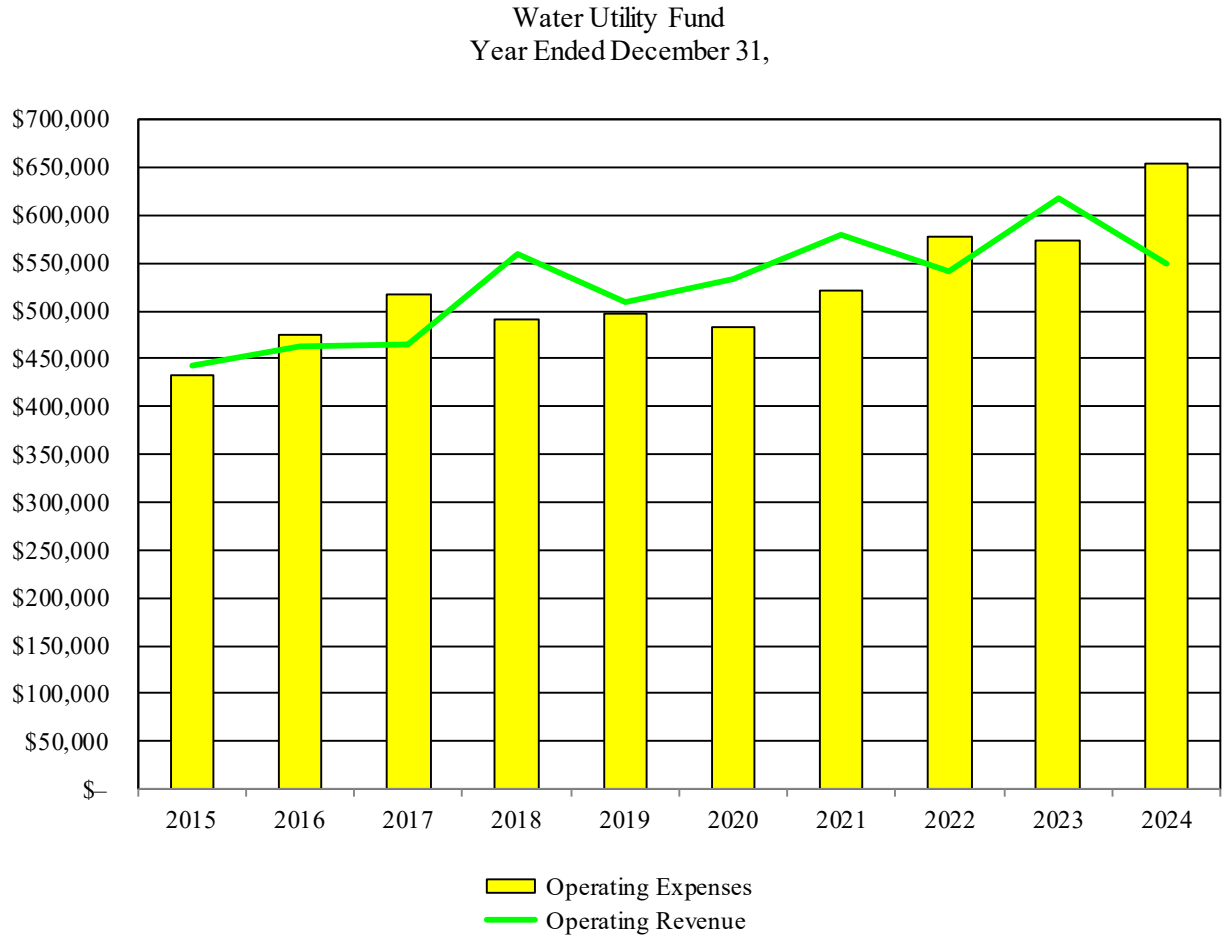
In 2024, the City consolidated the Circle Pines, Lino Lakes, and Blaine Gas Utility Funds into one Gas Utility Fund.

The change in volume of financial activity in the current year reflects the change in consumption and gas pricing fluctuations compared to the prior year.

Cash flow and unrestricted net position management are important areas to monitor for the Gas Utility Fund. The timing and way the City finances capital expansions are key factors affecting these balance sheet accounts.

WATER UTILITY FUND

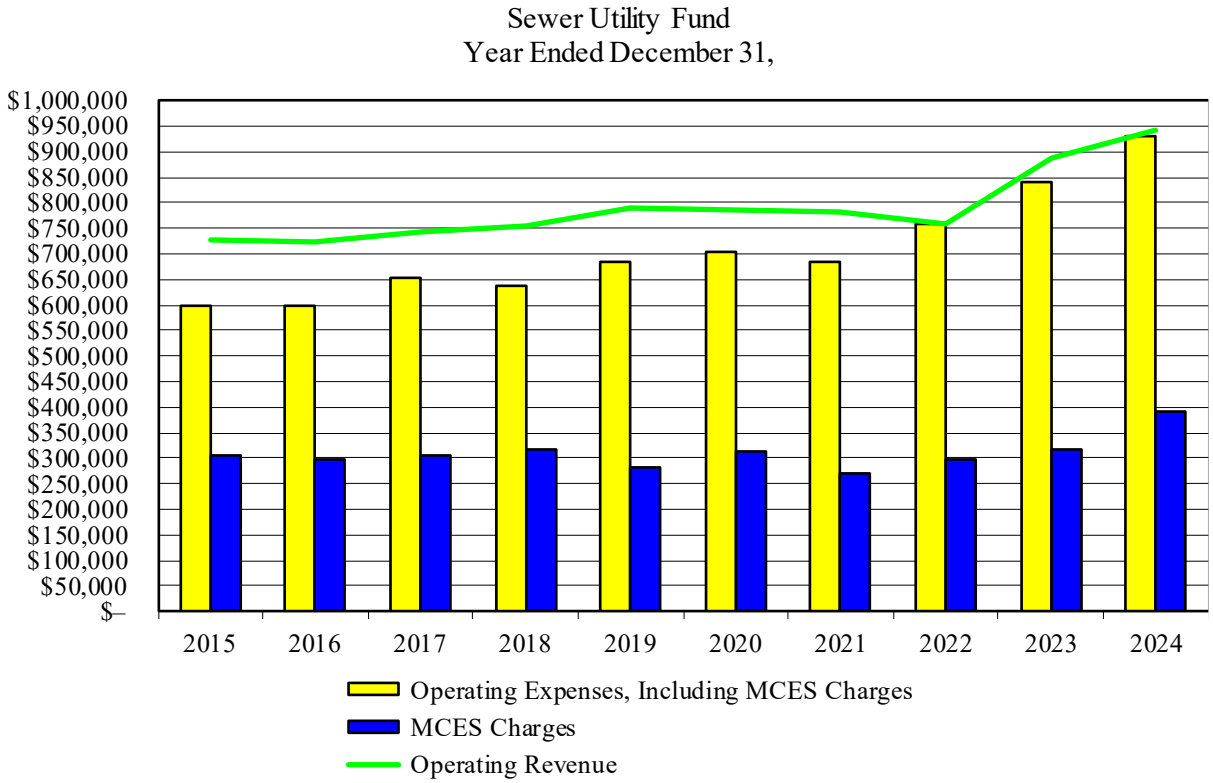
The Water Utility Fund had a cash balance (net of borrowing) of $3,050,768, of which $181,886 is restricted for construction and unrestricted net position of $2,761,664 as of December 31, 2024.



The Water Utility Fund had an operating loss of $103,906 in 2024, compared to an operating income of $45,280 in 2023. Operating revenues decreased by $67,685 from the prior year, largely due to a decrease in consumption in the current year. Operating expenses increased by $81,501 over the prior year. Expenses increased with more costs of sales and services, administration, and depreciation expenses on the Water Utility Fund infrastructure. Changes in pension obligations also increased the cost of administration in the current year.

SEWER UTILITY FUND

The Sewer Utility Fund reported $42,506 as due to other funds to cover a short-term cash deficit. This fund also held $77,570 of cash and temporary investments that are restricted for construction and deficit unrestricted net position of $57,199 as of December 31, 2024.

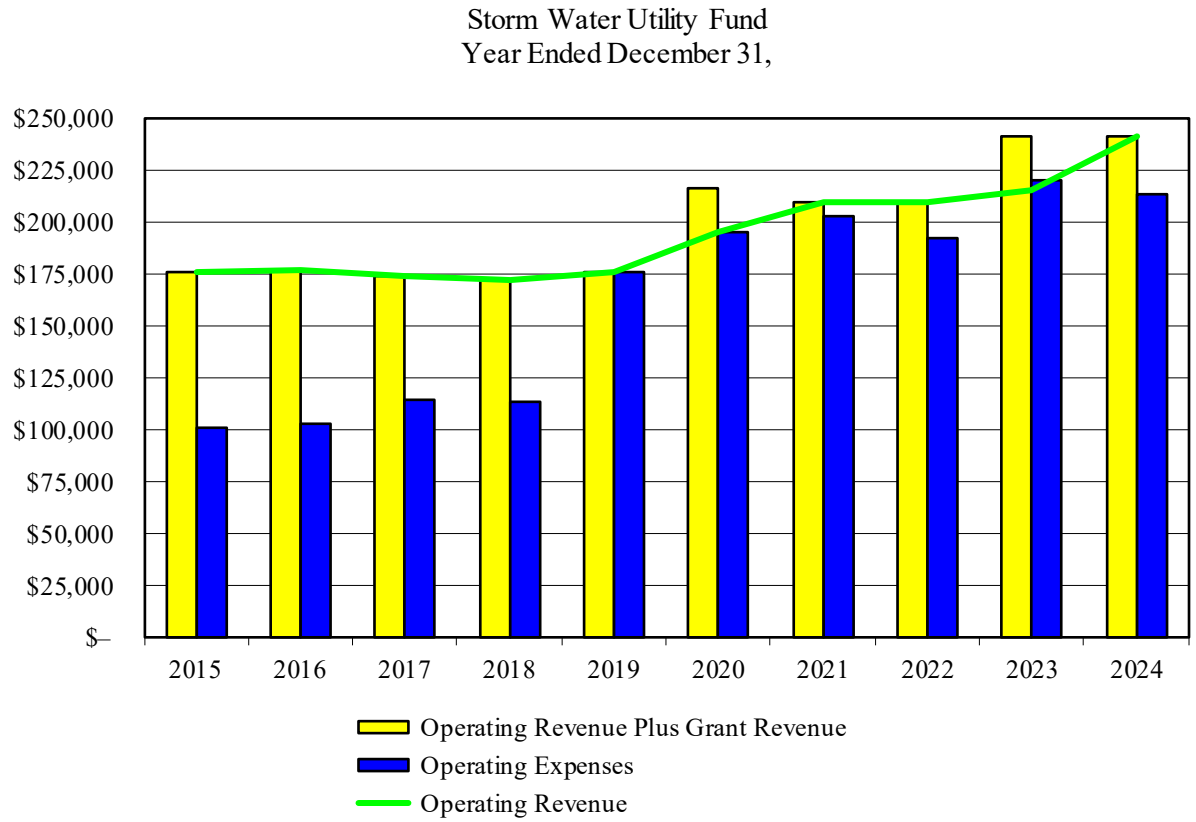


In 2024, the Sewer Utility Fund generated an operating income of $10,014, compared to operating income of $46,566 in 2023. Operating revenues increased by $54,810, or 6.2 percent, from the prior year due to an approved rate adjustment. Operating expenses increased by $91,362, or 10.9 percent, from the prior year. Expenses increased, largely due to the additional $71,356 paid for sewer treatment in the current year.

A major expense item in the sewer operations is the charges from the Metropolitan Council Environmental Services (MCES). The main causes of the expense fluctuations from year-to-year are generally changes made to the charges from MCES, reflecting the results of its sewer treatment operations.

STORM WATER UTILITY FUND

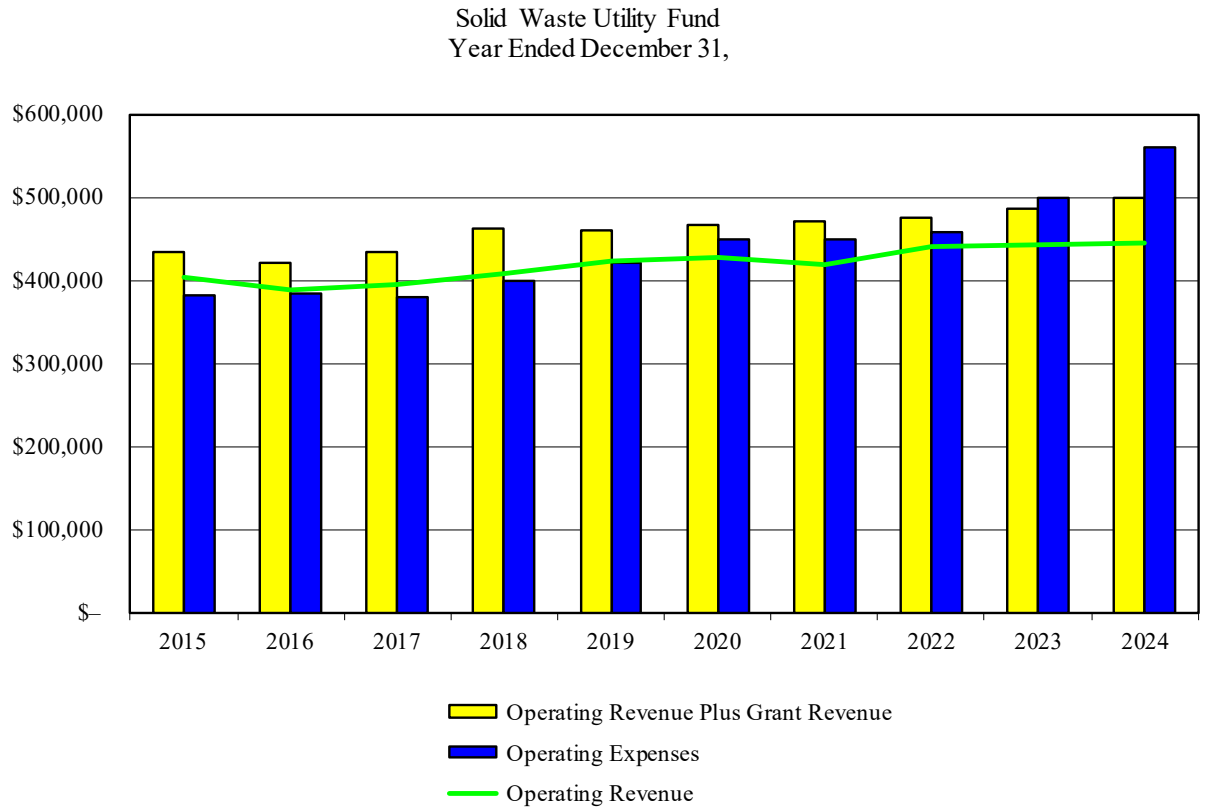
The Storm Water Utility Fund had a cash balance of $413,606, of which $170,365 is restricted for construction and unrestricted net position of $214,524 as of December 31, 2024.



The Storm Water Utility Fund reported an operating income of $27,475 in 2024, compared to an operating loss of $5,436 in 2023. Operating revenues increased $26,235, while operating expenses decreased by $6,676 from the prior year. The largest expense in this operation was $174,604 of depreciation on the Storm Water Utility Fund infrastructure.

SOLID WASTE UTILITY FUND

The Solid Waste Utility Fund had a cash balance of $1,136,771 and an unrestricted net position of $1,145,483 as of December 31, 2024.



The Solid Waste Utility Fund had an operating loss of $115,847 in 2024. After accounting for nonoperating revenues of $108,269 (primarily intergovernmental grants for recycling and investment earnings), this utility operation reported a $7,578 reduction in net position.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

In addition to fund-based information, the current reporting model for governmental entities also requires the inclusion of two government-wide financial statements designed to present a clear picture of the City as a single, unified entity. These government-wide financial statements provide information on the total cost of delivering services, including capital assets and long-term liabilities.

STATEMENT OF NET POSITION

The Statement of Net Position essentially tells you what your city owns and owes at a given point in time, the last day of the fiscal year. Theoretically, net position represents the resources the City has leftover to use for providing services after its debts are settled. However, those resources are not always in spendable form, or there may be restrictions on how some of those resources can be used. Therefore, net position is divided into three components: net investment in capital assets, restricted, and unrestricted.

The following table presents the components of the City's net position as of December 31, 2024 and 2023 for governmental activities and business-type activities (utility fund operations):

	As of December 31,		
	2024	2023	Change
Net position			
Governmental activities			
Net investment in capital assets	$ 11,252,025	$ 9,201,719	$ 2,050,306
Restricted	1,963,488	2,431,594	(468,106)
Unrestricted	9,145,404	10,192,386	(1,046,982)
Total governmental activities	22,360,917	21,825,699	535,218
Business-type activities			
Net investment in capital assets	11,227,037	11,130,327	96,710
Unrestricted	4,140,466	3,835,254	305,212
Total business-type activities	15,367,503	14,965,581	401,922
Total net position	$ 37,728,420	$ 36,791,280	$ 937,140

At the end of the current fiscal year, the City is able to present positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

As seen in the table above, total net position was $937,140 more than the amount reported in the prior year, due to current year operations.

Business-type activities represent the City's utility operations and is consistent with the previous discussion of the utility funds, while governmental activities represent the combined operations of the City's remaining funds. The governmental activities presentation provides the full accrual and long-term prospective that is not available in the governmental fund-based presentation, which focuses on current financial resources.

Governmental activities reported a significant change in net position components, as presented in the table above. Restricted net position decreased with the City spending down amounts previously restricted for public safety and debt service. Net investment in capital assets increased with the purchase of land and repayment of bonds issued for capital asset acquisition. Unrestricted net position decreased, largely due to the spending of unrestricted available resources for certain capital projects and the land purchase made by the City.

STATEMENT OF ACTIVITIES

The Statement of Activities tracks the City's yearly revenues and expenses, as well as any other transactions that increase or reduce total net position. These amounts represent the full cost of providing services. The Statement of Activities provides a more comprehensive measure than just the amount of cash that changed hands, as reflected in the fund-based financial statements. This statement includes the cost of supplies used, depreciation of long-lived capital assets, and other accrual-based expenses.

The following table presents the change in the net position of the City for the years ended December 31, 2024 and 2023:

	2024			2023
	Expenses	Program Revenues	Net Change	Net Change
Net (expense) revenue				
Governmental activities				
General government	$ 714,995	$ 99,079	$ (615,916)	$ (643,020)
Public safety	1,920,138	77,850	(1,842,288)	(1,382,606)
Public works	1,027,362	330,536	(696,826)	(679,370)
Parks and recreation	926,565	27,062	(899,503)	(763,495)
Interest and fiscal costs	223,843	–	(223,843)	(266,019)
Business-type activities				
Gas	2,897,973	3,363,023	465,050	298,736
Water	729,942	625,291	(104,651)	23,485
Sewer	1,029,597	951,674	(77,923)	(54,337)
Storm water	279,259	241,770	(37,489)	(76,528)
Solid waste	560,540	499,027	(61,513)	(13,146)
Total net (expense) revenue	$ 10,310,214	$ 6,215,312	(4,094,902)	(3,556,300)
General revenues				
Property and franchise taxes			3,400,024	3,351,401
General grants and contributions			509,607	550,515
Other general revenues			374,392	287,592
Investment earnings			748,019	723,903
Total general revenues			5,032,042	4,913,411
Change in net position			$ 937,140	$ 1,357,111

One of the goals of this statement is to provide a side-by-side comparison to illustrate the difference in the way the City's governmental and business-type operations are financed. The table clearly illustrates the dependence of the City's governmental operations on general revenues, such as taxes and unrestricted grants. In contrast, the City's business-type activities tend to rely more heavily on program revenues, like charges for services (sales) and program-specific grants to cover expenses. This is critical given the current downward pressures on the general revenue sources.

The most significant net change compared to the prior year was in public safety as seen in the table above. The net impact of an increase in spending for contracted fire services and the reduction in program revenues due to a one-time grant recognized last year accounted for this difference compared to the prior year.

ACCOUNTING AND AUDITING UPDATES

The following is a summary of Governmental Accounting Standards Board (GASB) standards expected to be implemented in the next few years.

GASB STATEMENT NO. 102, *CERTAIN RISK DISCLOSURES*

The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

This statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. A government will be required to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, a government must assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information (as outlined in the standard) in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosures should also include any actions taken by the government to mitigate the risk.

The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

GASB STATEMENT NO. 103, *FINANCIAL REPORTING MODEL IMPROVEMENTS*

The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues.

This statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). This statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. In addition, this statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units

This statement defines unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence, and requires governments to display the inflows and outflows related to each unusual or infrequent item separately.

This statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses.

This statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

This statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in the notes to RSI.

The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

GASB STATEMENT NO. 104, *DISCLOSURE OF CERTAIN CAPITAL ASSETS*

The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets.

This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by GASB Statement No. 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this statement requires intangible assets other than those three types to be disclosed separately by major class.

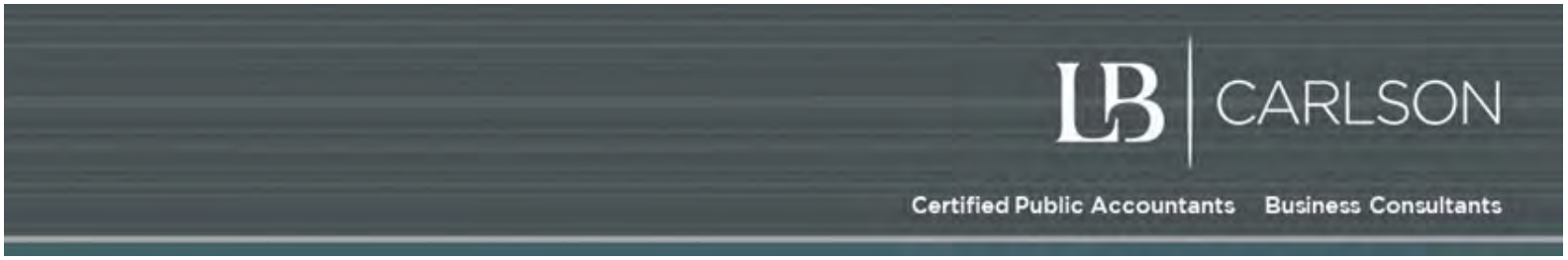
This statement also requires additional disclosures for capital assets held for sale. A capital asset is considered held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. Capital assets held for sale are required to be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

CITY OF CIRCLE PINES
ANOKA COUNTY, MINNESOTA

Financial Statements and
Supplementary Information

For the Fiscal Year Ended
December 31, 2024



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CITY OF CIRCLE PINES
ANOKA COUNTY, MINNESOTA

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INTRODUCTORY SECTION

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CITY OF CIRCLE PINES
ANOKA COUNTY, MINNESOTA

City Council and Other Officials
Year Ended December 31, 2024

CITY COUNCIL

Dave Bartholomay	Mayor
Meagan Bachmayer	Councilmember
Nicole Dorner	Councilmember
Steve McChesney	Councilmember
Matt Percy	Councilmember

CITY ADMINISTRATION

Patrick Antonen	City Administrator/Clerk
Kate Manson	Finance Director

CENTENNIAL UTILITIES COMMISSION

Jan Kreminski	Chairperson
Dwight Benoy	Member
Brian Olson	Member
Eric Peterson	Member
Curtis Theis	Member
Patrick Antonen	Ex Officio

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FINANCIAL SECTION

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LB | CARLSON

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Circle Pines, Minnesota

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINIONS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Circle Pines, Minnesota (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINIONS

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

(continued)

605 US Highway 169 N, Suite 650, Minneapolis, MN 55441
763.535.8150 | www.lbcarlson.com

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

REQUIRED SUPPLEMENTARY INFORMATION

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(continued)

SUPPLEMENTARY INFORMATION

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining fund statements and schedules, as listed in the table of contents, are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER INFORMATION

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Respectfully submitted,

LB Carlson, LLP

LB CARLSON, LLP
Minneapolis, Minnesota

May 8, 2025

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As management of the City of Circle Pines, Minnesota (the City), we have provided readers of the City's financial statements with this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2024.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year by $37,728,420 (*net position*). Of this amount, $13,285,870 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's total net position increased by $937,140 from operations in 2024. Governmental activities increased total net position by $535,218, while business-type activities increased total net position by $401,922.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $10,507,328. Of this total amount, $6,139 is nonspendable, $844,750 is restricted, and $8,629,330 is assigned, leaving an unassigned balance of $1,027,109.

- At the end of the current fiscal year, the General Fund has a fund balance of $4,165,391, a decrease of $57,892 from the prior year, compared to a reduction of $193,795 anticipated in the budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other information in addition to the basic financial statements themselves.

These financial statements include not only the City itself (known as the primary government), but also the Centennial Utilities Commission (the Commission) and the Circle Pines Housing and Redevelopment Authority (HRA). The Commission and the HRA are legally separate entities which function, in essence, as part of the City. Therefore, the Commission and HRA have been included (blended) as an integral part of the City's financial statements.

Government-Wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private sector businesses.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, delinquent taxes and special assessments).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, public works, and parks and recreation. The business-type activities of the City include enterprises for gas, water, sewer, storm water, and solid waste utilities.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City are divided into two categories—governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the Statement of Revenue, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The fund financial statements present information for each major governmental fund in separate columns. Data from the nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The City adopts an annual appropriated budget for the General Fund. Budget to actual comparisons are provided in this financial report for this fund.

Proprietary Funds – All of the City's proprietary funds are enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City presents all enterprise funds as major funds in separate columns.

Notes to Basic Financial Statements – The notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, the financial section also presents required supplementary information, and the combining fund statements (presented as supplementary information) referred to earlier in connection with nonmajor governmental funds, which are presented immediately following the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

An analysis of the City's financial position begins with a review of the Statement of Net Position and the Statement of Activities. These two statements report the City's net position and changes in net position. It should be noted that the financial position can also be affected by nonfinancial factors, including economic conditions, population growth, and new regulations.

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. As presented in the following condensed version of the Statement of Net Position, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $37,728,420 on December 31, 2024.

A portion of the City's net position, $22,479,062, or 59.6 percent, reflects its investment in capital assets (e.g., land, construction in progress, buildings and structures, infrastructure and improvements, distribution and collection systems, machinery and equipment, office furniture and equipment, and vehicles) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following is a summary of the City's net position:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	$ 12,790,827	$ 14,391,960	$ 6,212,464	$ 6,160,537	$ 19,003,291	$ 20,552,497
Capital assets, net	19,398,470	18,429,160	19,896,029	20,414,471	39,294,499	38,843,631
Total assets	$ 32,189,297	$ 32,821,120	$ 26,108,493	$ 26,575,008	$ 58,297,790	$ 59,396,128
Deferred outflows of resources						
Pension plan deferments – PERA	$ 74,041	$ 135,010	$ 99,528	$ 217,722	$ 173,569	$ 352,732
Liabilities						
Current and other liabilities	$ 714,595	$ 631,084	$ 538,178	$ 447,068	$ 1,252,773	$ 1,078,152
Long-term liabilities	8,957,692	10,357,482	9,658,446	10,764,699	18,616,138	21,122,181
Total liabilities	$ 9,672,287	$ 10,988,566	$ 10,196,624	$ 11,211,767	$ 19,868,911	$ 22,200,333
Deferred inflows of resources						
Pension plan deferments – PERA	$ 230,134	$ 141,865	$ 309,351	$ 228,774	$ 539,485	$ 370,639
Lease revenues for subsequent years	–	–	334,543	386,608	334,543	386,608
Total deferred inflows of resources	$ 230,134	$ 141,865	$ 643,894	$ 615,382	$ 874,028	$ 757,247
Net position						
Net investment in capital assets	$ 11,252,025	$ 9,201,719	$ 11,227,037	$ 11,130,327	$ 22,479,062	$ 20,332,046
Restricted	1,963,488	2,431,594	–	–	1,963,488	2,431,594
Unrestricted	9,145,404	10,192,386	4,140,466	3,835,254	13,285,870	14,027,640
Total net position	$ 22,360,917	$ 21,825,699	$ 15,367,503	$ 14,965,581	$ 37,728,420	$ 36,791,280

Restricted net position of $1,963,488 comprises 5.2 percent of net position at the close of the fiscal year ended December 31, 2024. This net position is subject to external restrictions on how it may be used.

The balance of unrestricted net position, $13,285,870, or approximately 35.2 percent, may be used to meet the City's ongoing obligations to citizens and creditors. Certain balances within unrestricted net position may have internally imposed limitations, which may further limit the purpose for which such net position may be used.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Both governmental activities and business-type activities experienced changes in deferred outflows of resources, deferred inflows of resources, and long-term liabilities as a result of the City's participation in a state-wide defined benefit pension plan.

The following table provides a condensed version of the Statement of Activities for the year ended December 31, 2024, with comparative totals for the year ended December 31, 2023:

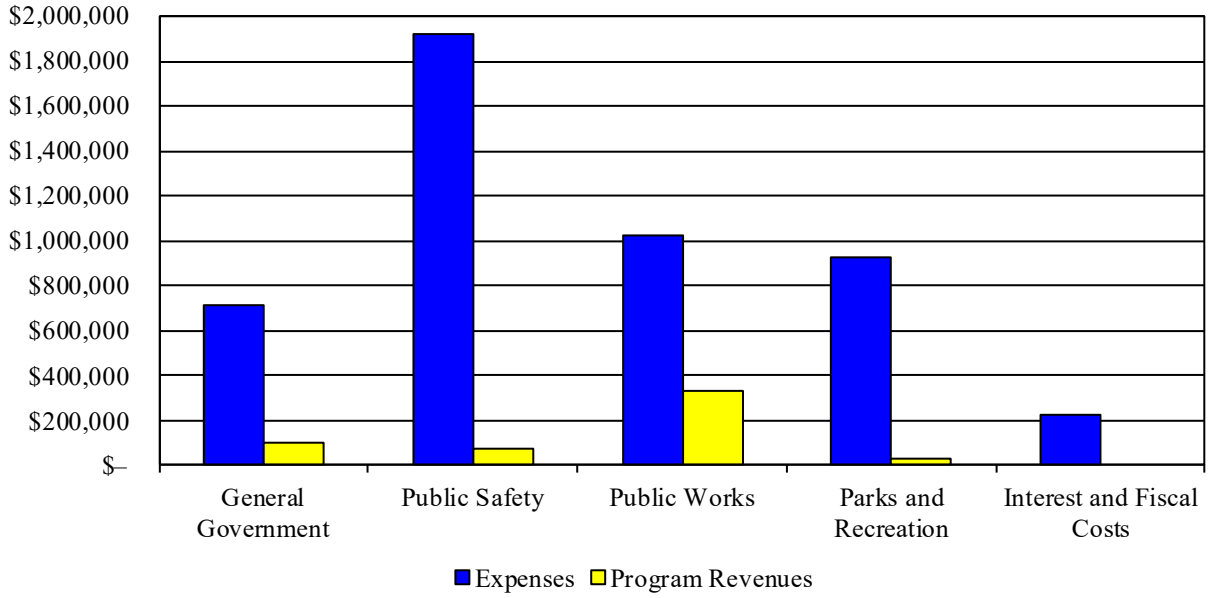
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues						
Charges for services	$ 153,666	$ 161,161	$ 5,607,052	$ 6,297,792	$ 5,760,718	$ 6,458,953
Operating grants and contributions	74,667	303,561	73,733	44,347	148,400	347,908
Capital grants and contributions	306,194	297,907	–	3,936	306,194	301,843
General revenues						
Property and franchise taxes	3,400,024	3,351,401	–	–	3,400,024	3,351,401
General grants and contributions	509,607	452,146	–	98,369	509,607	550,515
Other general revenues	374,392	287,592	–	–	374,392	287,592
Proceeds on sale of assets	–	–	–	–	–	–
Investment earnings	524,111	351,823	223,908	372,080	748,019	723,903
Total revenues	5,342,661	5,205,591	5,904,693	6,816,524	11,247,354	12,022,115
Expenses						
General government	714,995	755,165	–	–	714,995	755,165
Public safety	1,920,138	1,671,931	–	–	1,920,138	1,671,931
Public works	1,027,362	1,013,467	–	–	1,027,362	1,013,467
Parks and recreation	926,565	790,557	–	–	926,565	790,557
Interest and fiscal costs	223,843	266,019	–	–	223,843	266,019
Gas	–	–	2,897,973	3,763,673	2,897,973	3,763,673
Water	–	–	729,942	663,735	729,942	663,735
Sewer	–	–	1,029,597	948,483	1,029,597	948,483
Storm water	–	–	279,259	291,946	279,259	291,946
Solid waste	–	–	560,540	500,028	560,540	500,028
Total expenses	4,812,903	4,497,139	5,497,311	6,167,865	10,310,214	10,665,004
Income before transfers	529,758	708,452	407,382	648,659	937,140	1,357,111
Transfers	5,460	–	(5,460)	–	–	–
Change in net position	535,218	708,452	401,922	648,659	937,140	1,357,111
Net position – beginning	21,825,699	21,117,247	14,965,581	14,316,922	36,791,280	35,434,169
Net position – ending	$ 22,360,917	$ 21,825,699	$ 15,367,503	$ 14,965,581	$ 37,728,420	$ 36,791,280

Governmental Activities – Current year operating results of governmental activities increased net position by $535,218. Revenues were up in the current year, with the largest increase with improved investment earnings. The increases more than offset the reduction in operating grants and contributions with a decline in operating grants for public safety, which was related to one time funding received in 2023. Expenses were up as anticipated, with spending plans and inflationary increases in the current year. An increase in staffing was a key component of the increase in public safety and parks and recreation.

Business-Type Activities – Current year operating results of business-type activities increased net position by $401,922, due to overall positive results of the utility operations of the City. Program revenues exceeded program expenses in total for the City's business-type activities. Both revenues and expenses were down compared to the prior year. The largest utility operation is for gas services, where revenues and operating expenses are largely driven by the use and cost of gas that is passed along to the end user.

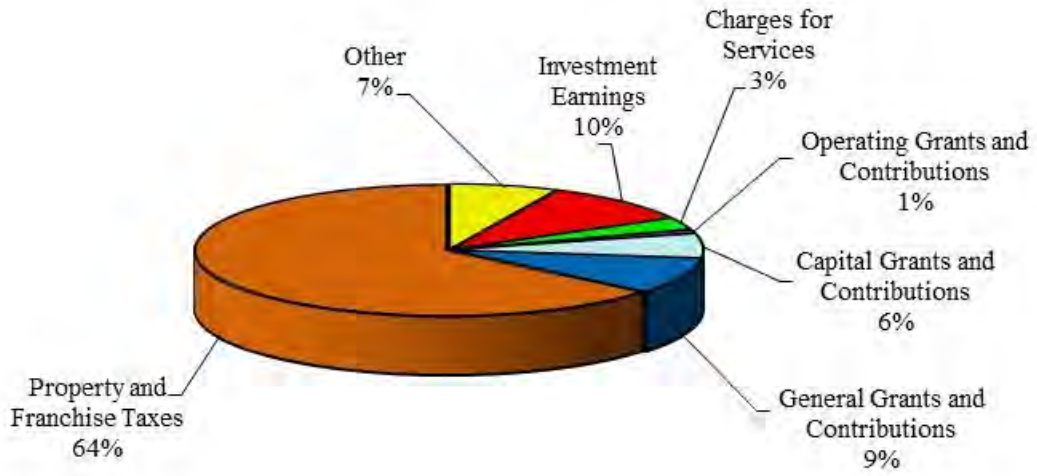
The following graphs illustrate the City's governmental activities:

Expenses and Program Revenues – Governmental Activities



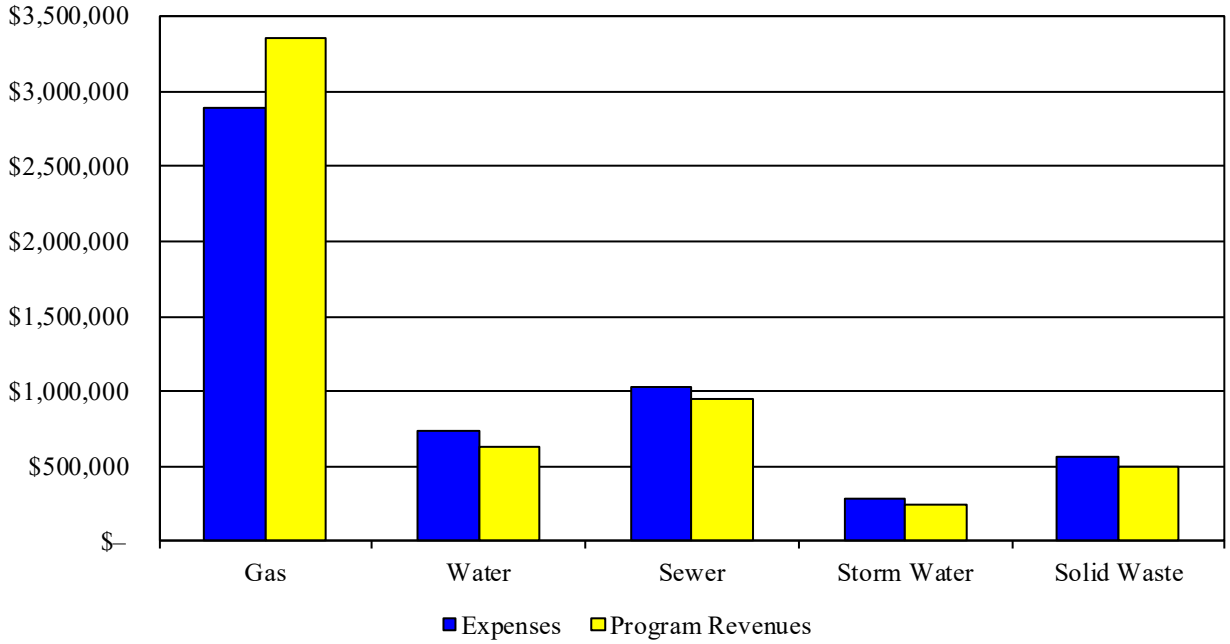
As is common with many cities, the City's governmental activities are primarily funded with property taxes. Property and franchise taxes accounted for 64 percent of governmental activities revenues. Investment earnings made up 10 percent, while general grants and contributions made up 9 percent of governmental activities revenue sources. Other general and program revenues finance governmental activities to a lesser extent.

Revenue by Source – Governmental Activities



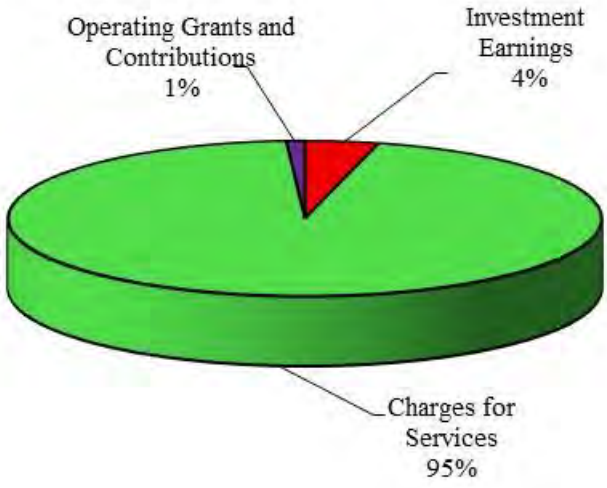
The following graphs illustrate the City's business-type activities:

Expenses and Program Revenues – Business-Type Activities



Unlike governmental activities, these activities are primarily funded through program revenues, like user charges. Overall, the business-type activities had positive operating results, but the City will continually need to monitor utility rates to cover operational costs, cash flow, and infrastructure replacement.

Revenues by Source – Business-Type Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The following is a summary of the City's governmental funds ending equity balances in comparison with the prior year:

	Fund Balances		Change
	2024	2023	
Major funds			
General	$ 4,165,391	$ 4,223,283	$ (57,892)
Special revenue			
Tax Increment District No. 1-4 North	(4,421)	(60,153)	55,732
Debt service			
G.O. Capital Notes of 2016	66,846	56,900	9,946
Capital project			
Street Project	3,717,779	3,948,719	(230,940)
Permanent Improvement Revolving	609,305	1,407,046	(797,741)
Nonmajor funds	1,952,428	2,455,016	(502,588)
Total fund balances	$ 10,507,328	$ 12,030,811	$ (1,523,483)

General Fund – The General Fund operating results can be summarized as follows:

	Original and Final Budget	Actual	Over (Under) Final Budget	Prior Year Actual
Revenue	$ 3,384,096	$ 3,541,070	$ 156,974	$ 3,634,832
Expenditures	3,577,891	3,598,962	21,071	3,277,203
Net change in fund balances	$ (193,795)	(57,892)	$ 135,903	357,629
Fund balances				
Beginning of year		4,223,283		3,865,654
End of year		$ 4,165,391		$ 4,223,283

The General Fund continues to maintain a healthy financial condition, which the City believes is important given the ongoing capital and service needs going forward. This will help protect the City from future funding shortfalls, as well as provide resources for unexpected but necessary expenditures.

Revenues were over budget, due to conservative budgeting largely for investment earnings. Expenditures were higher than projected, due to contributions made to the Fire District for new capital equipment. One-time pandemic-related funding recognized in the prior year contributed to the decrease in General Fund revenues. Expenditures were up with more spending on public safety salary increases and fire equipment. Spending on parks and recreation was also up compared to the prior year, largely due to more personnel expenditures.

Significant Activities of Other Major Governmental Funds – Capital spending was up in the current year for costs related to the upcoming 2025 street project, a roofing project in fiscal 2024, and the purchase of land for potential development or use by the City. These major spending projects contributed to the decrease in the Street Project and Permanent Improvement Revolving Capital Project Funds.

Proprietary Funds – The City's proprietary funds had a combined net position balance of $15,367,503 on December 31, 2024. The changes in net position balances of these funds are listed below:

	Net Position		
	2024	2023*	Change
Major funds			
Enterprise			
Circle Pines Gas Utility	$ –	$ 2,035,427	$ (2,035,427)
Lino Lakes Gas Utility	–	1,498,708	(1,498,708)
Blaine Gas Utility	–	(232,338)	232,338
Gas Utility	3,783,538	–	3,783,538
Water Utility	5,175,190	5,142,469	32,721
Sewer Utility	2,653,736	2,735,493	(81,757)
Storm Water Utility	2,609,556	2,632,761	(23,205)
Solid Waste Utility	1,145,483	1,153,061	(7,578)
Total net position	$ 15,367,503	$ 14,965,581	$ 401,922

* The Gas Utility operations were combined and reported as one fund in fiscal 2024.

The proprietary funds reported a combined net position increase of $401,922 from operations in the current year. Positive operating results largely in the gas utility contributed to the increase in current year's net position.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets – The City's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of December 31, 2024, is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	$ 1,688,246	$ 830,773	$ 4,153	$ 4,153	$ 1,692,399	$ 834,926
Construction in progress	491,230	–	–	–	491,230	–
Buildings and structures	5,021,653	4,941,236	1,213,641	1,213,641	6,235,294	6,154,877
Furniture and equipment	1,920,125	1,863,755	3,589,957	3,534,319	5,510,082	5,398,074
Improvements other than buildings	21,941,945	21,710,030	28,968,785	28,757,118	50,910,730	50,467,148
Total capital assets	31,063,199	29,345,794	33,776,536	33,509,231	64,839,735	62,855,025
Accumulated depreciation	(11,664,729)	(10,916,634)	(13,880,507)	(13,094,760)	(25,545,236)	(24,011,394)
Total capital assets, net of depreciation	$ 19,398,470	$ 18,429,160	$ 19,896,029	$ 20,414,471	$ 39,294,499	$ 38,843,631
Depreciation expense	$ 939,982	$ 878,086	$ 974,756	$ 974,848	$ 1,914,738	$ 1,852,934

The City has analyzed its infrastructure and has anticipated repairs or replacement soon to streets, water, sewer, and storm water systems. The existing streets in certain parts of the community are reaching the end of their useful life. The City anticipates continued construction projects for the reconstruction of that infrastructure.

Increases in the current year include the property purchase and the activity in the capital project funds as previously mentioned.

Additional details of capital asset activity for the year can be found in the notes to basic financial statements.

Long-Term Liabilities – The debt service funds account for the accumulation of resources to finance the City's general obligation bonds and notes within the governmental activities. The revenue sources for these funds include annual tax levies, tax increments, special assessments, and other intergovernmental revenue sources. General obligation bonds of the business-type activities are retired by the revenue produced in the associated enterprise fund. If there were insufficient resources in the enterprise funds to retire the general obligation bonds, the City would be obligated to find other sources or levy taxes for their retirement. The net pension liability and compensated absences are paid for primarily by the General Fund and respective enterprise funds. The following table summarizes the City's long-term liabilities:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
G.O. bonds and notes payable	$ 8,205,000	$ 9,450,000	$ 8,880,000	$ 9,675,000	$ 17,085,000	$ 19,125,000
Unamortized bond premium	346,088	377,264	218,813	237,274	564,901	614,538
Net pension liability	311,859	443,048	419,209	714,473	731,068	1,157,521
Compensated absences payable	94,745	87,170	140,424	137,952	235,169	225,122
Total	$ 8,957,692	$ 10,357,482	$ 9,658,446	$ 10,764,699	$ 18,616,138	$ 21,122,181

The City has sufficient funds on hand to make all required debt payments and anticipates an ongoing stream of revenue to make future payments. The decrease in the table above was due to scheduled debt payments and changes in the City's proportionate share of the Public Employees Retirement Association pension obligations.

Additional details of long-term debt activity for the year can be found in the notes to basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City's elected officials considered many factors when adopting the balanced budget for fiscal year 2025. The 2025 General Fund expenditure budget was set at $3,662,808, an increase of $84,917, or 2.4 percent, from the budget for 2024.

REQUESTS FOR INFORMATION

Questions concerning any of the information provided in this report, or requests for additional information, should be addressed by writing to the City of Circle Pines, 200 Civic Heights Circle, Circle Pines, Minnesota 55014, or by calling (763) 784-5898.

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BASIC FINANCIAL STATEMENTS

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CITY OF CIRCLE PINES

Statement of Net Position
December 31, 2024

	Governmental Activities	Business-Type Activities	Totals
Assets			
Cash and temporary investments	$ 11,028,643	$ 4,654,156	$ 15,682,799
Cash and temporary investments – restricted for construction	–	429,821	429,821
Receivables			
Accounts	30,748	605,888	636,636
Lease	–	334,543	334,543
Accrued interest	29,268	13,006	42,274
Taxes – delinquent	32,723	–	32,723
Special assessments – delinquent	7,096	818	7,914
Special assessments – deferred	872,367	14,698	887,065
Due from other governmental units	783,843	35,142	818,985
Inventory	–	79,509	79,509
Prepaid items	6,139	44,883	51,022
Capital assets			
Not depreciated	2,179,476	4,153	2,183,629
Depreciated, net	17,218,994	19,891,876	37,110,870
Total capital assets, net of depreciation	19,398,470	19,896,029	39,294,499
Total assets	32,189,297	26,108,493	58,297,790
Deferred outflows of resources			
Pension plan deferments – PERA	74,041	99,528	173,569
Total assets and deferred outflows of resources	$ 32,263,338	$ 26,208,021	$ 58,471,359
Liabilities			
Accounts and contracts payable	$ 140,552	$ 380,706	$ 521,258
Salaries payable	16,507	23,170	39,677
Accrued interest payable	102,096	108,685	210,781
Due to other governmental units	–	25,617	25,617
Unearned revenue	455,440	–	455,440
Long-term liabilities			
Due within one year	1,262,532	828,914	2,091,446
Due in more than one year	7,695,160	8,829,532	16,524,692
Total long-term liabilities	8,957,692	9,658,446	18,616,138
Total liabilities	9,672,287	10,196,624	19,868,911
Deferred inflows of resources			
Pension plan deferments – PERA	230,134	309,351	539,485
Lease revenues for subsequent years	–	334,543	334,543
Total deferred inflows of resources	230,134	643,894	874,028
Net position			
Net investment in capital assets	11,252,025	11,227,037	22,479,062
Restricted for			
Debt service	1,298,461	–	1,298,461
Equipment acquisitions	21,893	–	21,893
Park dedicated improvements	288,963	–	288,963
State-funded street projects	354,171	–	354,171
Unrestricted	9,145,404	4,140,466	13,285,870
Total net position	22,360,917	15,367,503	37,728,420
Total liabilities, deferred inflows of resources, and net position	$ 32,263,338	$ 26,208,021	$ 58,471,359

See notes to basic financial statements

CITY OF CIRCLE PINES

Statement of Activities
Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities				
General government	$ 714,995	$ 99,079	$ –	$ –
Public safety	1,920,138	10,055	67,795	–
Public works	1,027,362	44,532	6,872	279,132
Parks and recreation	926,565	–	–	27,062
Interest and fiscal costs	223,843	–	–	–
Total governmental activities	4,812,903	153,666	74,667	306,194
Business-type activities				
Gas	2,897,973	3,349,411	13,612	–
Water	729,942	622,087	3,204	–
Sewer	1,029,597	949,028	2,646	–
Storm water	279,259	241,653	117	–
Solid waste	560,540	444,873	54,154	–
Total business-type activities	5,497,311	5,607,052	73,733	–
Total governmental and business-type activities	$ 10,310,214	$ 5,760,718	$ 148,400	$ 306,194
General revenues				
Property taxes				
Franchise taxes				
General grants and contributions				
Other general revenues				
Investment earnings				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position – beginning				
Net position – ending				

See notes to basic financial statements

Net (Expenses) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (615,916)	$ –	$ (615,916)
(1,842,288)	–	(1,842,288)
(696,826)	–	(696,826)
(899,503)	–	(899,503)
(223,843)	–	(223,843)
(4,278,376)	–	(4,278,376)
–	465,050	465,050
–	(104,651)	(104,651)
–	(77,923)	(77,923)
–	(37,489)	(37,489)
–	(61,513)	(61,513)
–	183,474	183,474
(4,278,376)	183,474	(4,094,902)
3,265,431	–	3,265,431
134,593	–	134,593
509,607	–	509,607
374,392	–	374,392
524,111	223,908	748,019
5,460	(5,460)	–
4,813,594	218,448	5,032,042
535,218	401,922	937,140
21,825,699	14,965,581	36,791,280
$ 22,360,917	$ 15,367,503	$ 37,728,420

CITY OF CIRCLE PINES

Balance Sheet
Governmental Funds
December 31, 2024

	General	Special Revenue Fund Tax Increment District No. 1-4 North	Debt Service Fund G.O. Capital Notes of 2016
Assets			
Cash and temporary investments	$ 4,180,627	$ 160,171	$ 522,286
Receivables			
Accounts	3,972	–	–
Accrued interest	9,774	408	–
Taxes – delinquent	32,723	–	–
Special assessments – delinquent	–	–	–
Special assessments – deferred	12,800	–	–
Due from other governmental units	19,869	–	404,643
Advances to other funds	–	–	–
Prepaid items	6,139	–	–
Total assets	$ 4,265,904	$ 160,579	$ 926,929
Liabilities			
Accounts and contracts payable	$ 38,483	$ –	$ –
Salaries payable	16,507	–	–
Advances from other funds	–	165,000	–
Unearned revenue	–	–	455,440
Total liabilities	54,990	165,000	455,440
Deferred inflows of resources			
Unavailable revenue – property taxes	45,523	–	–
Unavailable revenue – special assessments	–	–	–
Unavailable revenue – long-term receivable	–	–	404,643
Total deferred inflows of resources	45,523	–	404,643
Fund balances (deficits)			
Nonspendable	6,139	–	–
Restricted	–	–	66,846
Assigned	3,127,722	–	–
Unassigned	1,031,530	(4,421)	–
Total fund balances (deficits)	4,165,391	(4,421)	66,846
Total liabilities, deferred inflows of resources, and fund balances	$ 4,265,904	$ 160,579	$ 926,929

See notes to basic financial statements

Capital Project Funds				
Street Project	Formerly Nonmajor Fund Permanent Improvement Revolving	Nonmajor	Totals
$ 3,724,985	$ 458,380	$ 1,982,194	$ 11,028,643
26,776	–	–	30,748
10,799	2,752	5,535	29,268
–	–	–	32,723
–	–	7,096	7,096
–	–	859,567	872,367
354,171	–	5,160	783,843
–	165,000	–	165,000
–	–	–	6,139
$ 4,116,731	$ 626,132	$ 2,859,552	$ 12,955,827
$ 44,781	$ 16,827	$ 40,461	$ 140,552
–	–	–	16,507
–	–	–	165,000
–	–	–	455,440
44,781	16,827	40,461	777,499
–	–	–	45,523
–	–	866,663	866,663
354,171	–	–	758,814
354,171	–	866,663	1,671,000
–	–	–	6,139
–	–	777,904	844,750
3,717,779	609,305	1,174,524	8,629,330
–	–	–	1,027,109
3,717,779	609,305	1,952,428	10,507,328
$ 4,116,731	$ 626,132	$ 2,859,552	$ 12,955,827

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CITY OF CIRCLE PINES

Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
December 31, 2024

Total fund balances – governmental funds	$ 10,507,328
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds (see Note 4 for more details on capital assets).	
Not depreciated	2,179,476
Depreciated, net	17,218,994
Long-term liabilities are not payable with current financial resources and, therefore, are not reported as liabilities in the governmental funds (see Note 5 for more details on long-term debt).	
Due within one year	(1,262,532)
Due in more than one year	(7,695,160)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.	
Deferred outflows of resources – pension plan deferments – PERA	74,041
Deferred inflows of resources – pension plan deferments – PERA	(230,134)
Deferred inflows of resources – unavailable revenues	1,671,000
Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.	(102,096)
Total net position – governmental activities	$ 22,360,917

See notes to basic financial statements

CITY OF CIRCLE PINES

Statement of Revenue, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2024

	General	Special Revenue Fund Tax Increment District No. 1-4 North	Debt Service Fund G.O. Capital Notes of 2016
Revenue			
Taxes			
Property taxes	$ 2,660,987	$ 221,747	$ –
Franchise taxes	6,158	–	–
Special assessments	–	–	–
Licenses and permits	99,079	–	–
Intergovernmental revenue	536,853	–	226,430
Charges for services	44,532	–	–
Fines and forfeits	10,055	–	–
Other revenue			
Investment earnings	173,516	7,202	–
Interfund loan interest	–	–	–
Lease and rental	–	–	–
Miscellaneous	9,890	–	–
Total revenue	3,541,070	228,949	226,430
Expenditures			
Current			
General government	642,893	2,366	–
Public safety	1,821,930	–	–
Public works	331,453	–	–
Parks and recreation	749,686	–	–
Capital outlay	53,000	–	–
Debt service			
Principal retirement	–	–	205,000
Interest and other	–	–	11,484
Interfund loan interest	–	11,250	–
Total expenditures	3,598,962	13,616	216,484
Excess (deficiency) of revenue over expenditures	(57,892)	215,333	9,946
Other financing sources (uses)			
Transfers in	–	–	–
Transfers out	–	(159,601)	–
Sale of capital assets	–	–	–
Total other financing sources (uses)	–	(159,601)	–
Net change in fund balances	(57,892)	55,732	9,946
Fund balances (deficits)			
Beginning of year, as previously reported	4,223,283	(60,153)	56,900
Change within financial reporting entity (nonmajor to major fund)	–	–	–
Beginning of year, restated	4,223,283	(60,153)	56,900
End of year	$ 4,165,391	$ (4,421)	$ 66,846

See notes to basic financial statements

Capital Project Funds				
Street Project	Formerly Nonmajor Fund Permanent Improvement Revolving	Nonmajor	Totals	
$ –	$ –	$ 400,000	$ 3,282,734	
128,435	–	–	134,593	
–	–	244,008	244,008	
–	–	–	99,079	
1,607	–	–	764,890	
–	–	–	44,532	
–	–	–	10,055	
196,952	48,483	97,958	524,111	
–	11,250	–	11,250	
–	–	309,542	309,542	
–	–	–	9,890	
326,994	59,733	1,051,508	5,434,684	
–	–	–	645,259	
–	–	–	1,821,930	
–	–	–	331,453	
–	–	–	749,686	
385,724	857,474	673,656	1,969,854	
–	–	1,040,000	1,245,000	
–	–	259,733	271,217	
–	–	–	11,250	
385,724	857,474	1,973,389	7,045,649	
(58,730)	(797,741)	(921,881)	(1,610,965)	
–	–	337,271	337,271	
(172,210)	–	–	(331,811)	
–	–	82,022	82,022	
(172,210)	–	419,293	87,482	
(230,940)	(797,741)	(502,588)	(1,523,483)	
3,948,719	–	3,862,062	12,030,811	
–	1,407,046	(1,407,046)	–	
3,948,719	1,407,046	2,455,016	12,030,811	
$ 3,717,779	$ 609,305	$ 1,952,428	$ 10,507,328	

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CITY OF CIRCLE PINES

Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
Year Ended December 31, 2024

Total net change in fund balances – governmental funds	$	(1,523,483)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense (see Note 4 for more details on changes in capital assets).		
Capital outlays		1,909,422
Depreciation expense		(939,982)
A gain or loss on the disposal of capital assets, including the difference between the carrying value and any related sale proceeds, is included in the change in net position. However, only the sale proceeds are included in the change in fund balance.		
Net book value of capital assets disposed		(130)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Other long-term debt adjustments are also made between the governmental funds and the Statement of Activities for compensated absences and net pension liability (see Note 5 for more details on changes in long-term debt).		
Governmental activities – additions to long-term debt		(167,496)
Governmental activities – deletions of long-term debt		1,567,286
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		16,198
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments – PERA		(60,969)
Deferred inflows of resources – pension plan deferments – PERA		(88,269)
Deferred inflows of resources – unavailable revenues		(177,359)
Change in net position – governmental activities	$	535,218

See notes to basic financial statements

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CITY OF CIRCLE PINES

Statement of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
Year Ended December 31, 2024

	Original and Final Budget	Actual	Over (Under) Final Budget
Revenue			
Property taxes	$ 2,649,945	$ 2,660,987	$ 11,042
Franchise taxes	9,000	6,158	(2,842)
Licenses and permits	68,883	99,079	30,196
Intergovernmental revenue	525,186	536,853	11,667
Charges for services	39,619	44,532	4,913
Fines and forfeits	11,000	10,055	(945)
Other revenue			
Investment earnings	70,463	173,516	103,053
Miscellaneous	10,000	9,890	(110)
Total revenue	3,384,096	3,541,070	156,974
Expenditures			
Current			
General government	655,641	642,893	(12,748)
Public safety	1,793,694	1,821,930	28,236
Public works	395,875	331,453	(64,422)
Parks and recreation	732,681	749,686	17,005
Capital outlay	–	53,000	53,000
Total expenditures	3,577,891	3,598,962	21,071
Net change in fund balances	$ (193,795)	(57,892)	$ 135,903
Fund balances			
Beginning of year		4,223,283	
End of year		$ 4,165,391	

See notes to basic financial statements

CITY OF CIRCLE PINES

Statement of Net Position
Proprietary Funds
December 31, 2024

	Business-Type Activities – Enterprise Funds			
	Circle Pines Gas Utility	Lino Lakes Gas Utility	Blaine Gas Utility	Gas Utility
Assets				
Current assets				
Cash and temporary investments	$ –	$ –	$ –	$ 447,768
Cash and temporary investments – restricted for construction	–	–	–	–
Receivables				
Accounts				
Utilities – customers	–	–	–	424,519
Lease	–	–	–	–
Accrued interest	–	–	–	1,156
Special assessments – delinquent	–	–	–	–
Special assessments – deferred	–	–	–	–
Due from other governments	–	–	–	–
Due from other funds	–	–	–	–
Inventory	–	–	–	79,509
Prepaid items	–	–	–	9,959
Total current assets	–	–	–	962,911
Noncurrent assets				
Capital assets				
Land	–	–	–	–
Buildings and structures	–	–	–	167,687
Furniture and equipment	–	–	–	2,096,092
Improvements other than buildings	–	–	–	5,705,318
Total capital assets	–	–	–	7,969,097
Less accumulated depreciation	–	–	–	4,261,553
Net capital assets	–	–	–	3,707,544
Total assets	–	–	–	4,670,455
Deferred outflows of resources				
Pension plan deferments – PERA	–	–	–	69,196
Total assets and deferred outflows of resources	$ –	$ –	$ –	$ 4,739,651
Liabilities				
Current liabilities				
Accounts and contracts payable	$ –	$ –	$ –	$ 312,306
Salaries payable	–	–	–	16,170
Accrued interest payable	–	–	–	–
Due to other governmental units	–	–	–	25,617
Due to other funds	–	–	–	–
Compensated absences payable – current	–	–	–	70,666
Bonds payable – current	–	–	–	–
Total current liabilities	–	–	–	424,759
Noncurrent liabilities				
Compensated absences payable, net of current portion	–	–	–	24,828
Net pension liability	–	–	–	291,452
Bonds payable, net of current portion	–	–	–	–
Total noncurrent liabilities	–	–	–	316,280
Total liabilities	–	–	–	741,039
Deferred inflows of resources				
Pension plan deferments – PERA	–	–	–	215,074
Lease revenues for subsequent years	–	–	–	–
Total deferred inflows of resources	–	–	–	215,074
Net position				
Net investment in capital assets	–	–	–	3,707,544
Unrestricted	–	–	–	75,994
Total net position	–	–	–	3,783,538
Total liabilities, deferred inflows of resources, and net position	$ –	$ –	$ –	$ 4,739,651

See notes to basic financial statements

Water Utility	Sewer Utility	Storm Water Utility	Solid Waste Utility	Total
$ 2,826,376	$ –	$ 243,241	$ 1,136,771	$ 4,654,156
181,886	77,570	170,365	–	429,821
42,674	82,771	21,397	34,527	605,888
334,543	–	–	–	334,543
7,866	19	921	3,044	13,006
818	–	–	–	818
14,698	–	–	–	14,698
402	28,744	–	5,996	35,142
42,506	–	–	–	42,506
–	–	–	–	79,509
2,392	32,529	–	3	44,883
3,454,161	221,633	435,924	1,180,341	6,254,970
–	4,153	–	–	4,153
1,012,415	33,539	–	–	1,213,641
602,998	890,867	–	–	3,589,957
8,144,365	8,191,763	6,927,339	–	28,968,785
9,759,778	9,120,322	6,927,339	–	33,776,536
4,403,618	2,906,374	2,308,962	–	13,880,507
5,356,160	6,213,948	4,618,377	–	19,896,029
8,810,321	6,435,581	5,054,301	1,180,341	26,150,999
16,290	13,449	593	–	99,528
$ 8,826,611	$ 6,449,030	$ 5,054,894	$ 1,180,341	$ 26,250,527
$ 8,781	$ 7,155	$ 17,606	$ 34,858	$ 380,706
3,741	3,143	116	–	23,170
36,933	42,752	29,000	–	108,685
–	–	–	–	25,617
–	42,506	–	–	42,506
17,509	15,322	417	–	103,914
260,000	290,000	175,000	–	725,000
326,964	400,878	222,139	34,858	1,409,598
6,152	5,384	146	–	36,510
68,611	56,647	2,499	–	419,209
2,864,520	3,290,583	2,218,710	–	8,373,813
2,939,283	3,352,614	2,221,355	–	8,829,532
3,266,247	3,753,492	2,443,494	34,858	10,239,130
50,631	41,802	1,844	–	309,351
334,543	–	–	–	334,543
385,174	41,802	1,844	–	643,894
2,413,526	2,710,935	2,395,032	–	11,227,037
2,761,664	(57,199)	214,524	1,145,483	4,140,466
5,175,190	2,653,736	2,609,556	1,145,483	15,367,503
$ 8,826,611	$ 6,449,030	$ 5,054,894	$ 1,180,341	$ 26,250,527

CITY OF CIRCLE PINES

Statement of Revenue, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2024

	Business-Type Activities – Enterprise Funds			
	Circle Pines Gas Utility	Lino Lakes Gas Utility	Blaine Gas Utility	Gas Utility
Operating revenues				
Charges for sales and services				
Gas	$ –	$ –	$ –	$ 3,345,703
Water	–	–	–	–
Sewer	–	–	–	–
Storm water	–	–	–	–
Solid waste	–	–	–	–
Total operating revenues	–	–	–	3,345,703
Operating expenses				
Cost of sales and services	–	–	–	1,924,944
Administration	–	–	–	600,297
Depreciation	–	–	–	285,863
Franchise fee	–	–	–	102,859
Total operating expenses	–	–	–	2,913,963
Operating income (loss)	–	–	–	431,740
Nonoperating revenues (expenses)				
Intergovernmental	–	–	–	13,612
Investment earnings (charges)	–	–	–	19,421
Other income	–	–	–	3,708
Gain on disposal of capital assets	–	–	–	16,990
Interest expense	–	–	–	(1,000)
Total nonoperating revenues (expenses)	–	–	–	52,731
Income (loss) before transfers out	–	–	–	484,471
Transfer out	–	–	–	(2,730)
Change in net position	–	–	–	481,741
Net position				
Beginning of year, as previously reported	2,035,427	1,498,708	(232,338)	–
Change within financial reporting entity	(2,035,427)	(1,498,708)	232,338	3,301,797
Beginning of year, restated	–	–	–	3,301,797
End of year, restated	$ –	$ –	$ –	$ 3,783,538

See notes to basic financial statements

Water Utility	Sewer Utility	Storm Water Utility	Solid Waste Utility	Total
$ –	$ –	$ –	$ –	$ 3,345,703
550,483	–	–	–	550,483
–	942,362	–	–	942,362
–	–	241,653	–	241,653
–	–	–	444,693	444,693
550,483	942,362	241,653	444,693	5,524,894
210,220	516,448	34,771	560,540	3,246,923
189,167	156,613	4,803	–	950,880
255,002	259,287	174,604	–	974,756
–	–	–	–	102,859
654,389	932,348	214,178	560,540	5,275,418
(103,906)	10,014	27,475	(115,847)	249,476
3,204	2,646	117	54,154	73,733
138,669	(2,401)	14,284	53,935	223,908
71,604	6,666	–	180	82,158
8,006	–	–	–	24,996
(83,559)	(97,249)	(65,081)	–	(246,889)
137,924	(90,338)	(50,680)	108,269	157,906
34,018	(80,324)	(23,205)	(7,578)	407,382
(1,297)	(1,433)	–	–	(5,460)
32,721	(81,757)	(23,205)	(7,578)	401,922
5,142,469	2,735,493	2,632,761	1,153,061	14,965,581
–	–	–	–	–
5,142,469	2,735,493	2,632,761	1,153,061	14,965,581
$ 5,175,190	$ 2,653,736	$ 2,609,556	$ 1,145,483	$ 15,367,503

CITY OF CIRCLE PINES

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2024

	Business-Type Activities – Enterprise Funds			
	Circle Pines Gas Utility	Lino Lakes Gas Utility	Blaine Gas Utility	Gas Utility
Cash flows from operating activities				
Cash received from customers	$ –	$ –	$ –	$ 3,237,403
Cash paid to suppliers	–	–	–	(1,522,047)
Cash paid to employees	–	–	–	(1,128,619)
Cash received from other sources	–	–	–	3,708
Net cash flows from operating activities	–	–	–	590,445
Cash flows from noncapital financing activities				
Intergovernmental	–	–	–	13,612
Cash received from other funds	–	–	–	–
Cash paid to other funds	–	–	–	(838,348)
Net cash flows from noncapital financing activities	–	–	–	(824,736)
Cash flows from capital and related financing activities				
Acquisition of capital assets	–	–	–	(258,005)
Proceeds from disposal of capital assets	–	–	–	16,990
Principal paid on bonds	–	–	–	–
Interest paid on bonds and advances	–	–	–	(1,000)
Cash received from other funds	–	–	–	–
Cash paid to other funds	–	–	–	(50,000)
Transfers to other funds	–	–	–	(2,730)
Net cash flows from capital and related financing activities	–	–	–	(294,745)
Cash flows from investing activities				
Earnings on investments	–	–	–	20,194
Net change in cash and cash equivalents	–	–	–	(508,842)
Cash and cash equivalents				
Beginning of year	–	–	–	956,610
End of year	$ –	$ –	$ –	$ 447,768
Reconciliation of cash and cash equivalents				
Cash and temporary investments	$ –	$ –	$ –	$ 447,768
Cash and temporary investments – restricted for construction	–	–	–	–
Cash and cash equivalents per Statement of Net Position	$ –	$ –	$ –	$ 447,768
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	$ –	$ –	$ –	$ 431,740
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Depreciation	–	–	–	285,863
Other income	–	–	–	3,708
Change in assets, liabilities, deferred inflows/outflows				
Receivables				
Accounts – utility customers	–	–	–	(108,300)
Lease	–	–	–	–
Special assessments – delinquent	–	–	–	–
Special assessments – deferred	–	–	–	–
Due from other governments	–	–	–	–
Inventory	–	–	–	30,265
Prepaid items	–	–	–	(2,437)
Deferred outflows of resources – pension plan deferments – PERA	–	–	–	93,803
Accounts and contracts payable	–	–	–	58,354
Salaries payable	–	–	–	2,595
Due to other governmental units	–	–	–	(2,015)
Compensated absences payable	–	–	–	(3,493)
Net pension liability	–	–	–	(243,440)
Deferred inflows of resources – pension plan deferments – PERA	–	–	–	43,802
Deferred inflows of resources – lease revenues for subsequent years	–	–	–	–
Net cash flows from operating activities	$ –	$ –	$ –	$ 590,445
Noncash investing, capital, and financing activities				
Amortization of bond premium	$ –	$ –	$ –	$ –

See notes to basic financial statements

Water Utility	Sewer Utility	Storm Water Utility	Solid Waste Utility	Total
$ 560,521	$ 907,630	$ 239,333	$ 440,731	$ 5,385,618
(165,428)	(481,873)	(16,028)	(459,631)	(2,645,007)
(219,675)	(188,000)	(3,912)	(78,228)	(1,618,434)
71,604	6,666	–	180	82,158
247,022	244,423	219,393	(96,948)	1,204,335
3,204	2,646	117	54,154	73,733
838,348	42,506	–	–	880,854
(42,506)	–	–	–	(880,854)
799,046	45,152	117	54,154	73,733
(70,073)	(90,045)	(38,191)	–	(456,314)
8,006	–	–	–	24,996
(285,150)	(327,500)	(182,350)	–	(795,000)
(93,753)	(108,446)	(73,001)	–	(276,200)
50,000	–	–	–	50,000
–	–	–	–	(50,000)
(1,297)	(1,433)	–	–	(5,460)
(392,267)	(527,424)	(293,542)	–	(1,507,978)
138,399	326	16,084	53,164	228,167
792,200	(237,523)	(57,948)	10,370	(1,743)
2,216,062	315,093	471,554	1,126,401	5,085,720
$ 3,008,262	$ 77,570	$ 413,606	$ 1,136,771	$ 5,083,977
$ 2,826,376	$ –	$ 243,241	$ 1,136,771	$ 4,654,156
181,886	77,570	170,365	–	429,821
$ 3,008,262	$ 77,570	$ 413,606	$ 1,136,771	$ 5,083,977
$ (103,906)	$ 10,014	$ 27,475	$ (115,847)	$ 249,476
255,002	259,287	174,604	–	974,756
71,604	6,666	–	180	82,158
(4,224)	(5,988)	(2,320)	2,034	(118,798)
52,065	–	–	–	52,065
4,199	–	–	–	4,199
10,323	–	–	–	10,323
(260)	(28,744)	–	(5,996)	(35,000)
–	–	–	–	30,265
69	1,343	5	37	(983)
12,759	12,225	(593)	–	118,194
3,485	(602)	15,200	24,949	101,386
1,302	920	116	–	4,933
(39)	–	–	(2,305)	(4,359)
3,318	2,084	563	–	2,472
(26,717)	(27,606)	2,499	–	(295,264)
20,107	14,824	1,844	–	80,577
(52,065)	–	–	–	(52,065)
$ 247,022	$ 244,423	$ 219,393	$ (96,948)	$ 1,204,335
$ 6,343	$ 6,793	$ 5,325	$ –	$ 18,461

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NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The City of Circle Pines, Minnesota (the City) operates under the "Optional Plan A" form of government as defined in Minnesota Statutes. Under this plan, the government of the City is run by a council composed of an elected mayor and four elected councilmembers. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below:

B. Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements include the City (the primary government) and its component units. Component units are legally separate entities for which the primary government is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit includes whether or not the primary government appoints the voting majority of the potential component unit's board, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit.

The City Council appoints the voting majority of the Centennial Utilities Commission's Board. The Circle Pines Housing and Redevelopment Authority (HRA) Board is comprised of the same members as the City Council. Based on the general level of control by the City over these entities, the Centennial Utilities Commission and the HRA are included as component units of the City. The financial data of these component units are blended with that of the City (reported as though their funds were funds of the City).

The City also participates in two joint ventures, which are not included in the City's financial statements. Descriptions and condensed financial information for these joint ventures are included later in these notes.

C. Government-Wide Financial Statement Presentation

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. These statements include all of the financial activities of the City. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which significantly rely upon sales, fees, and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other internally directed revenues are reported as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes and special assessments are recognized as revenues in the fiscal year for which they are certified for levy. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, charges between the City's enterprise funds and other functions are not eliminated, as that would distort the direct costs and program revenues reported in those functions. Depreciation expense is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

Separate fund financial statements are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor governmental funds is reported in a single column in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting, transactions are recorded in the following manner:

1. **Revenue Recognition** – Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days after year-end. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. Proceeds of long-term debt and acquisitions under leases, when applicable, are reported as other financing sources.

   Major revenue that is susceptible to accrual includes property taxes, special assessments, intergovernmental revenue, charges for services, and interest earned on investments. Major revenue that is not susceptible to accrual includes licenses and permits, fees, and miscellaneous revenue. Such revenue is recorded only when received because it is not measurable until collected.

2. **Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term obligations, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds.

Proprietary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Funds

The City reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Tax Increment District No. 1-4 North Special Revenue Fund – This fund accounts for the collection of tax increments from District No. 1-4, redistributes those resources to funds responsible for related debt requirements, and accounts for the allowable capital costs to develop the district.

G.O. Capital Notes of 2016 Debt Service Fund – This fund accounts for the collection of resources for, and the repayment of, debt issued to finance the purchase of equipment on behalf of the North Metro Telecommunications Commission.

Street Project Capital Project Fund – This fund is used to account for the financial resources to be used for capital improvements of city streets and surrounding areas.

Permanent Improvement Revolving Capital Project Fund – This fund is used to account for the financial resources to be used for a variety of city improvements, except any accounted for in the proprietary funds.

The City reports the following major proprietary funds:

Gas Utility Enterprise Fund – The Gas Utility Enterprise Fund is used to account for the operation, maintenance, and improvement of the City's gas utility systems within the cities of Circle Pines, Lino Lakes, and Blaine.

Water Utility Enterprise Fund – The Water Utility Enterprise Fund is used to account for the operation, maintenance, and improvement of the City's water utility system.

Sewer Utility Enterprise Fund – The Sewer Utility Enterprise Fund is used to account for the operation, maintenance, and improvement of the City's sewer utility system.

Storm Water Utility Enterprise Fund – The Storm Water Utility Enterprise Fund is used to account for the operation, maintenance, and improvement of the City's storm water utility system.

Solid Waste Utility Enterprise Fund – The Solid Waste Utility Enterprise Fund is used to account for the operation, maintenance, and improvement of the City's solid waste utility system, including recycling services.

E. Budgets and Budgetary Accounting

Each fall, the City Council adopts a General Fund budget for the following fiscal year beginning January 1. The City has established budgetary control at the fund level. Budget appropriations lapse at year-end. Budget amounts are presented on a modified accrual basis of accounting. For the year ended December 31, 2024, actual expenditures exceed budgeted expenditures in the General Fund by $21,071. This variance was financed by revenues more than budget.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Cash and Investments

Cash and temporary investments include balances that are combined and invested to the extent available in various securities as authorized by state law. Allocations of pooled investment earnings to the respective funds is based on participation by each fund. Cash and temporary investments – restricted for construction represents unspent proceeds in the enterprise funds dedicated for utility construction costs.

Investments are generally stated at fair value, except for amounts in certain investment pools, which are stated at amortized cost. The Minnesota Municipal Money Market (4M) Fund is an external investment pool regulated by Minnesota Statutes that is not registered with the Securities and Exchange Commission (SEC), but follows the same regulatory rules of the SEC. The fair value of the position in the pool is the same as the value of the pool shares, which is based on an amortized cost method that approximates fair value. The 4M Fund is sponsored by the League of Minnesota Cities. For this investment pool, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required for the Liquid Class; the redemption notice period is 14 days for the Plus Class.

For purposes of the Statement of Cash Flows, the City considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents. The proprietary funds' portion in the government-wide cash and investment management pool is considered to be cash equivalent.

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. See Note 2 for the City's recurring fair value measurements as of year-end.

G. Receivables

Utility and miscellaneous accounts receivable are reported at gross. Since the City is generally able to certify delinquent utility receivables to the county for collection as special assessments, no allowance for uncollectible accounts has been provided on current receivables. The only receivables not expected to be fully collected within one year are lease receivables, property taxes receivable, special assessments receivable, and amounts due from other governments for future debt payments on joint debt issues.

H. Property Taxes

Property tax levies are set by the City Council in December of each year, and are certified to Anoka County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The county spreads the levies over all taxable property. Such taxes become a lien on January 1 and are recorded as receivables by the City on that date. Real property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Personal property taxes are due in full on May 15. The county provides tax settlements to cities and other taxing districts three times a year; in July, December, and January.

Property taxes are recognized as revenue in the year levied in the government-wide financial statements and proprietary fund financial statements. In the governmental fund financial statements, taxes are recognized as revenue when received in cash or within 60 days after year-end. Taxes which remain unpaid on December 31 are classified as delinquent taxes receivable, and are offset by a deferred inflow of resources in the governmental fund financial statements.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Special Assessments

Special assessments primarily represent the financing for public improvements paid for by benefiting property owners. As previously mentioned under receivables, the City is also generally able to certify delinquent amounts to the county for collection as special assessments. Special assessments are recorded as receivables upon certification to the county. Special assessments are recognized as revenue in the year levied in the government-wide financial statements and proprietary fund financial statements. In the governmental fund financial statements, special assessments are recognized as revenue when received in cash or within 60 days after year-end. Governmental fund special assessments receivable which remain unpaid on December 31 are offset by deferred inflows of resources in the governmental fund financial statements.

J. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as "due to/from other funds." All short-term interfund receivables and payables at year-end are planned to be eliminated in the subsequent year. Long-term interfund loans are classified as "advances receivable/payable." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

K. Inventories

The inventories of the City's funds are recorded at cost for supplies and at the lower of cost or market on the first-in, first-out basis for inventory held for resale.

L. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

M. Capital Assets

Capital assets, which include land, buildings and structures, furniture and equipment, improvements other than buildings (infrastructure assets), and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The City defines capital assets as those with an initial, individual cost of $5,000 or more with an estimated useful life in excess of one year. Groups of similar assets acquired at or near the same time for a single objective, with individual acquisition costs below threshold, are also capitalized if the costs of the assets are considered significant in the aggregate. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives is not capitalized.

Capital assets are recorded in the government-wide and proprietary fund financial statements, but are not reported in the governmental fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Land and construction in progress are not depreciated. Useful lives vary from 10 to 50 years for buildings and structures, 3 to 20 years for furniture and equipment, and 5 to 50 years for improvements other than buildings.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Compensated Absences Payable

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or paid during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Substantially all regular full-time and permanent part-time city employees earn annual leave at various rates based on longevity. Unused annual leave may be accumulated up to a maximum of 240 hours for employees with less than 15 years of employment with the City and 280 hours with over 15 years of employment. These compensated absences are paid to an employee leaving in good standing, at their current rate of pay. The General Fund and enterprise funds are used to liquidate this liability.

O. State-Wide Pension Plans

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from the PERA's fiduciary net position have been determined on the same basis as they are reported by the PERA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments, and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Long-Term Liabilities

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. If they are material, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed in the period incurred.

In the governmental fund financial statements, long-term debt and other long-term obligations are not reported as liabilities. The face amount of debt issued is reported as other financing sources. Premiums or discounts on debt issuances are reported as other financing sources or uses, respectively. Principal and interest on long-term debt and other long-term obligations are recorded as expenditures in the governmental fund financial statements to the extent they have matured.

Q. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, statements of financial position or balance sheets may report separate financial statement elements called deferred outflows or inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) or an inflow of financial resources (revenue) until then.

The City reports deferred outflows and inflows of resources related to pensions in the government-wide and proprietary funds Statement of Net Position. These deferred outflows and inflows result from differences between expected and actual economic experience, changes in actuarial assumptions, net collective difference between projected and actual investment earnings, changes in proportion, and contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension standards.

The City reports deferred inflows of resources related to leases receivable, which requires lessors to recognize deferred inflows of resources to correspond to lease receivables. These amounts are deferred and amortized in a systematic and rationale manner over the term of the lease. This item is reported both in the government-wide and proprietary funds Statement of Net Position as a deferred inflow of resources.

Unavailable revenue arises only under the modified accrual basis of accounting and, therefore, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from three sources: property taxes, special assessments, and long-term receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

R. Net Position Classifications and Flow Assumptions

In the government-wide and proprietary fund financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is displayed in three components:

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation, reduced by any outstanding debt attributable to acquire capital assets.

- **Restricted Net Position** – Consists of net position restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or enabling legislation.

- **Unrestricted Net Position** – All remaining net position that does not meet the definition of "restricted" or "net investment in capital assets."

The City applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

S. Fund Balance Classifications and Flow Assumptions

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.

- **Restricted** – Consists of amounts where there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments, or enabling legislation.

- **Committed** – Consists of internally imposed constraints that are established by resolution of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

- **Assigned** – Consists of internally imposed constraints on amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the City Council delegates the authority. Pursuant to City Council resolution, the finance director and/or the city administrator is authorized to establish assignments of fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

- **Unassigned** – The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, then use unrestricted resources as they are needed.

When committed, assigned, or unassigned resources are available for use, it is the City's policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

T. Risk Management

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, for which the City carries insurance. The City participates in the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool for its general property and casualty, workers' compensation, and other miscellaneous insurance coverages. The LMCIT operates as a common risk management and insurance program for a large number of cities in Minnesota. The City pays an annual premium to the LMCIT for insurance coverage. The LMCIT agreement provides that the trust will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits. The City also carries commercial insurance for certain other risks of loss. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage in the current year.

U. Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

V. Change Within the Financial Reporting Entity

Beginning January 1, 2024, the City consolidated their financial reporting of the Circle Pines, Blaine, and Lino Lakes gas utility funds into one Gas Utility Fund. In the proprietary fund financial statements, the Gas Utility Fund reported an increase to beginning net position of $3,301,797 for the consolidation of the three previous separately reported gas funds. The total beginning proprietary funds net position remains the same as previously reported and there were no adjustments to the government-wide financial statements for these changes.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

Cash and investments at year-end consist of the following:

Deposits	$ 342,912
Investments	15,769,708
Total	$ 16,112,620

Cash and investments are included on the basic financial statements as follows:

Statement of Net Position	
Cash and temporary investments	$ 15,682,799
Cash and temporary investments – restricted for construction	429,821
Total	$ 16,112,620

B. Deposits

In accordance with applicable Minnesota Statutes, the City maintains deposits at depository banks authorized by the City Council, including checking accounts and certificates of deposit.

The following is considered the most significant risk associated with deposits:

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may be lost.

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The fair value of collateral pledged must equal 110 percent of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The City has no additional deposit policies addressing custodial credit risk.

At year-end, the carrying amount and bank balance of the City's deposits was $342,912. The entire bank balance was covered by federal deposit insurance, surety bonds, or by collateral held by the City's agent in the City's name.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments

The City has the following investments at year-end:

Investment Type	Credit Risk Rating	Credit Risk Agency	Fair Value Measurements Using	Interest Risk – Maturity Duration in Years Less Than 1	1 to 5	6 to 10	Total
U.S. treasuries	N/A	N/A	Level 2	$ –	$ 141,339	$ –	$ 141,339
U.S. agency securities	AA	S&P	Level 2	489,205	2,931,227	–	3,420,432
State and local obligations	AAA	S&P	Level 2	603,357	902,196	–	1,505,553
State and local obligations	AAA	Moody's	Level 2	–	4,327	–	4,327
State and local obligations	AA	S&P	Level 2	217,514	774,662	–	992,176
State and local obligations	AA	Moody's	Level 2	483,983	165,900	196,645	846,528
State and local obligations	A	Moody's	Level 2	–	776,100	–	776,100
Negotiable certificates of deposit	N/R	N/A	Level 2	250,103	3,646,616	–	3,896,719
				$ 2,044,162	$ 9,342,367	$ 196,645	11,583,174
Investment pools/mutual funds							
Allspring Government Money Market Fund	AAA	S&P	Level 1	N/A	N/A	N/A	4,678
Federated Hermes Treasury Fund	AAA	S&P	Level 2	N/A	N/A	N/A	33,236
Dreyfus Preferred Government Money Market Fund	AAA	S&P	Level 2	N/A	N/A	N/A	319,791
4M Fund	AAA	S&P	Amortized Cost	N/A	N/A	N/A	3,828,829
Total investments							$ 15,769,708

N/A – Not Applicable
N/R – Not Rated

Investments are subject to various risks, the following of which are considered the most significant:

Custodial Credit Risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy addresses this risk by requiring that securities be held by an independent third party custodian with identification of the City's ownership.

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the City's investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less; general obligations rated "A" or better; revenue obligations rated "AA" or better; general obligations of the Minnesota Housing Finance Agency rated "A" or better; bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding $10,000,000; that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or certain Minnesota securities broker-dealers.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

The City's investment policies further limit investments to direct United States government obligations, state and local municipal securities rated in the top rating tiers issued by nationally recognized statistical rating organizations, federal agency issues, shares in mutual funds investing exclusively in United States government and agency issues, obligations of the state of Minnesota or Minnesota municipalities, banker's acceptances, commercial paper, repurchase agreements, reverse purchase agreements, securities lending agreements, guaranteed investment contracts, and interest bearing deposits, all with the same state restrictions.

Concentration Risk – This is the risk associated with investing a significant portion of the City's investment (considered 5.0 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The City's investment policies allow an unlimited amount of United States treasury securities and authorized treasury pools, and certificates of deposit. Any remaining types of investments cannot exceed more than 50.0 percent of the City's total investment portfolio. Investments with a single financial institution cannot exceed more than 50.0 percent of the City's total investment portfolio. At year-end, the City's investment portfolio includes investment in the Federal Home Loan Bank at 14.4 percent of the total portfolio.

Interest Rate Risk – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City's investment policies do not allow investing more than 15.0 percent of the total cash and investment balance available at any point for more than 10 years.

NOTE 3 – LEASE RECEIVABLE

The City has entered into lease receivable agreements for cell tower rental space on city property. The leases are reported using an incremental interest rate of 4.00 percent with a final maturity through fiscal 2031. During the current year, the City received principal and interest payments on these leases of $70,538.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year was as follows:

A. Changes in Capital Assets Used in Governmental Activities

	Balance – Beginning of Year	Additions	Deletions	Balance – End of Year
Capital assets, not depreciated				
Land	$ 830,773	$ 857,473	$ –	$ 1,688,246
Construction in progress	–	491,230	–	491,230
Total capital assets, not depreciated	830,773	1,348,703	–	2,179,476
Capital assets, depreciated				
Buildings and structures	4,941,236	110,175	(29,758)	5,021,653
Furniture and equipment	1,863,755	218,629	(162,259)	1,920,125
Improvements other than buildings	21,710,030	231,915	–	21,941,945
Total capital assets, depreciated	28,515,021	560,719	(192,017)	28,883,723
Less accumulated depreciation on				
Buildings and structures	(3,333,962)	(147,329)	29,758	(3,451,533)
Furniture and equipment	(1,057,147)	(158,284)	162,129	(1,053,302)
Improvements other than buildings	(6,525,525)	(634,369)	–	(7,159,894)
Total accumulated depreciation	(10,916,634)	(939,982)	191,887	(11,664,729)
Net capital assets, depreciated	17,598,387	(379,263)	(130)	17,218,994
Net capital assets	$ 18,429,160	$ 969,440	$ (130)	$ 19,398,470

B. Changes in Capital Assets Used in Business-Type Activities

	Balance – Beginning of Year	Additions	Deletions	Balance – End of Year
Capital assets, not depreciated				
Land	$ 4,153	$ –	$ –	$ 4,153
Capital assets, depreciated				
Buildings and structures	1,213,641	–	–	1,213,641
Furniture and equipment	3,534,319	244,647	(189,009)	3,589,957
Improvements other than buildings	28,757,118	211,667	–	28,968,785
Total capital assets, depreciated	33,505,078	456,314	(189,009)	33,772,383
Less accumulated depreciation on				
Buildings and structures	(875,159)	(31,179)	–	(906,338)
Furniture and equipment	(2,077,189)	(224,318)	189,009	(2,112,498)
Improvements other than buildings	(10,142,412)	(719,259)	–	(10,861,671)
Total accumulated depreciation	(13,094,760)	(974,756)	189,009	(13,880,507)
Net capital assets, depreciated	20,410,318	(518,442)	–	19,891,876
Net capital assets	$ 20,414,471	$ (518,442)	$ –	$ 19,896,029

NOTE 4 – CAPITAL ASSETS (CONTINUED)

C. Depreciation Expense by Function

Governmental activities	
General government	$ 47,403
Public safety	45,208
Public works	689,717
Parks and recreation	157,654
Total depreciation expense – governmental activities	$ 939,982
Business-type activities	
Gas	$ 285,863
Water	255,002
Sewer	259,287
Storm water	174,604
Total depreciation expense – business-type activities	$ 974,756

NOTE 5 – LONG-TERM LIABILITIES

A. Changes in Long-Term Liabilities

	Balance – Beginning of Year	Additions	Deletions	Balance – End of Year	Due Within One Year
Governmental activities					
G.O. bonds and notes payable	$ 9,450,000	$ –	$ (1,245,000)	$ 8,205,000	$ 1,200,000
Unamortized bond premium	377,264	–	(31,176)	346,088	–
Net pension liability	443,048	93,149	(224,338)	311,859	–
Compensated absences payable	87,170	74,347	(66,772)	94,745	62,532
Total governmental activities	10,357,482	167,496	(1,567,286)	8,957,692	1,262,532
Business-type activities					
G.O. bonds payable	9,675,000	–	(795,000)	8,880,000	725,000
Unamortized bond premium	237,274	–	(18,461)	218,813	–
Net pension liability	714,473	6,296	(301,560)	419,209	–
Compensated absences payable	137,952	110,372	(107,900)	140,424	103,914
Total business-type activities	10,764,699	116,668	(1,222,921)	9,658,446	828,914
Total long-term liabilities	$ 21,122,181	$ 284,164	$ (2,790,207)	$ 18,616,138	$ 2,091,446

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

B. Bonds and Notes Payable

	Original Issue	Interest Rate	Issue Date	Final Maturity Date	Balance – End of Year
Governmental activities					
General obligation bonds and notes					
Street Project Bonds of 2014	$ 1,940,000	3.00–3.50%	07/17/2014	02/01/2030	$ 735,000
Street Project and Refunding Bonds of 2015	$ 1,720,000	2.25–3.00%	07/16/2015	02/01/2026	110,000
Capital Notes of 2016	$ 1,785,000	2.00%	04/14/2016	02/01/2026	425,000
Street Project Bonds of 2016	$ 1,455,000	2.00–3.00%	04/14/2016	02/01/2032	760,000
Street Project Bonds of 2018	$ 2,670,000	3.00–3.25%	05/24/2018	02/01/2034	1,755,000
Street Project and Refunding Bonds of 2020	$ 4,515,000	2.00–4.00%	06/04/2020	02/01/2036	2,930,000
Street Project Bonds of 2022	$ 1,590,000	2.70–4.00%	05/05/2022	02/01/2038	1,490,000
Total governmental activity bonds and notes payable					$ 8,205,000
Business-type activities					
General obligation bonds					
Street Project Bonds of 2014	$ 1,375,000	3.00–3.50%	07/17/2014	02/01/2030	$ 625,000
Street Project Bonds of 2016	$ 1,865,000	2.00–3.00%	04/14/2016	02/01/2032	1,070,000
Street Project Bonds of 2018	$ 3,230,000	3.00–3.25%	05/24/2018	02/01/2034	2,305,000
Street Project Bonds of 2020	$ 2,365,000	2.00–4.00%	06/04/2020	02/01/2036	1,985,000
Street Project Bonds of 2022	$ 3,050,000	2.70–4.00%	05/05/2022	02/01/2038	2,895,000
Total business-type activity bonds payable					$ 8,880,000

C. Minimum Debt Payments

Minimum annual principal and interest payments required to retire bonds and notes payable are as follows:

Year Ending December 31,	Governmental Activities G. O. Bonds and Notes Principal	Governmental Activities G. O. Bonds and Notes Interest	Business-Type Activities G.O. Bonds Principal	Business-Type Activities G.O. Bonds Interest
2025	$ 1,200,000	$ 226,486	$ 725,000	$ 249,095
2026	1,200,000	189,324	750,000	225,120
2027	955,000	154,218	775,000	200,114
2028	945,000	121,136	795,000	174,226
2029	885,000	92,443	825,000	148,808
2030–2034	2,425,000	218,556	3,685,000	415,555
2035–2038	595,000	25,498	1,325,000	63,898
	$ 8,205,000	$ 1,027,661	$ 8,880,000	$ 1,476,816

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

D. Descriptions and Restrictions of Debt Issues

General Obligation Bonds and Notes – These obligations were issued to make acquisitions, improvements, or to refund prior debt issues. The Street Project Bonds of 2014, 2015, 2016, 2018, 2020, and 2022 (general obligation bonds), were split between governmental activities and business-type activities. Principal and interest on the governmental activities bonds and notes are paid by the debt service funds, primarily through the collection of taxes, special assessments, and other intergovernmental revenues. The general obligation bonds of the business-type activities will be repaid from the revenues of the enterprise funds. The Capital Notes of 2016 Debt Service Fund represents a joint debt issue where the City acted as the fiscal host. A portion of this issue will be paid by cities that are members of the North Metro Telecommunications Commission. The portion financed by other member cities is recorded in due from other governmental units in the City's Capital Notes of 2016 Debt Service Fund. These receivables are offset by a matching amount of deferred inflows of resources until collected.

E. Ultimate Responsibility of Debt

All long-term debt is backed by the full faith and credit of the City.

F. Arbitrage Rebate

The Tax Reform Act of 1986 requires governmental entities to pay to the federal government income earned on the proceeds from the issuance of debt in excess of interest costs, pending the expenditure of the borrowed funds. This rebate of interest income (known as arbitrage) applies to governmental debt issued after August 31, 1986. In the opinion of management, any obligation would be immaterial.

G. Revenue Pledged

Future revenue pledged for the payment of long-term debt is as follows:

		Revenue Pledged				Current Year	
Bond Issue	Use of Proceeds	Type	Percent of Total Debt Service	Term of Pledge	Remaining Principal and Interest	Principal and Interest Paid	Pledged Revenue Received
Street Project and Refunding Bonds of 2020 Tax Increment Refunding Bond Portion	Site improvements	Tax increment	100%	2020–2029	$ 807,500	$ 159,200	$ 221,747
Street Project Bonds of 2014	Utility improvements	Utility charges	100%	2014–2030	$ 688,663	$ 114,150	$ 1,734,498
Street Project Bonds of 2016	Utility improvements	Utility charges	100%	2016–2032	$ 1,175,288	$ 146,025	$ 1,734,498
Street Project Bonds of 2018	Utility improvements	Utility charges	100%	2018–2034	$ 2,679,693	$ 273,665	$ 1,734,498
Street Project Bonds of 2020	Utility improvements	Utility charges	100%	2020–2036	$ 2,259,850	$ 189,200	$ 1,734,498
Street Project Bonds of 2022	Utility improvements	Utility charges	100%	2022–2038	$ 3,553,322	$ 252,455	$ 1,734,498

NOTE 6 – INTERFUND RECEIVABLES AND PAYABLES

The City had the following interfund balances at year-end:

Fund	Interfund Receivables	Interfund Payables
Due to/from other funds		
Proprietary funds		
Water Utility	$ 42,506	$ –
Sewer Utility	$ –	$ 42,506
Advances to/from other funds		
Governmental funds		
Permanent Improvement Revolving	$ 165,000	$ –
Tax Increment District No. 1-4 North	$ –	$ 165,000

The interfund balances were to assist in the development of the tax increment district and to eliminate negative cash balances. The advances from other funds are charged with interest at rates of 2 percent per year, or as limited by state statutes.

NOTE 7 – INTERFUND TRANSFERS

Interfund transfers for the current year were as follows:

Transfers Out	Transfers In Governmental Funds Nonmajor
Governmental funds	
Tax Increment District No. 1–4 North	$ 159,601
Street Project	172,210
Proprietary funds	
Gas Utility	2,730
Water Utility	1,297
Sewer Utility	1,433
Total	$ 337,271

Transfers are made in accordance with budget appropriations, to close funds, or as approved by the City Council for funding of city activities.

NOTE 8 – FUND BALANCES

At December 31, 2024, a summary of the City's governmental fund balance classifications are as follows:

	General	Tax Increment District No. 1-4 North	G.O. Capital Notes of 2016	Street Project	Permanent Improvement Revolving	Nonmajor	Totals
Nonspendable							
Prepaid items	$ 6,139	$ –	$ –	$ –	$ –	$ –	$ 6,139
Restricted							
Debt service	–	–	66,846	–	–	467,048	533,894
Park dedicated improvements	–	–	–	–	–	288,963	288,963
Equipment acquisitions	–	–	–	–	–	21,893	21,893
Total restricted	–	–	66,846	–	–	777,904	844,750
Assigned							
Cash flows	1,855,112	–	–	–	–	–	1,855,112
Employee benefits	94,745	–	–	–	–	–	94,745
Contingency	366,281	–	–	–	–	–	366,281
City signs	6,000	–	–	–	–	–	6,000
City celebration	5,968	–	–	–	–	–	5,968
City history books	4,400	–	–	–	–	–	4,400
Community gardens	1,150	–	–	–	–	–	1,150
Equipment acquisitions	794,066	–	–	–	–	152,193	946,259
Street improvements	–	–	–	3,717,779	–	–	3,717,779
Improvements	–	–	–	–	609,305	–	609,305
Capital improvements	–	–	–	–	–	760,006	760,006
Park improvements	–	–	–	–	–	179,813	179,813
Community improvements	–	–	–	–	–	82,512	82,512
Total assigned	3,127,722	–	–	3,717,779	609,305	1,174,524	8,629,330
Unassigned	1,031,530	(4,421)	–	–	–	–	1,027,109
Total	$ 4,165,391	$ (4,421)	$ 66,846	$ 3,717,779	$ 609,305	$ 1,952,428	$ 10,507,328

NOTE 9 – INDIVIDUAL FUND DISCLOSURES

The following table summarizes the deficit fund balances as of year-end:

Fund	Amount
Governmental fund	
Tax Increment District No. 1-4 North	$ (4,421)

The City intends to fund this deficit through future tax increment collections.

NOTE 10 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Description

The City participates in the following cost-sharing, multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association (PERA) of Minnesota. The PERA's defined benefit pension plan is established and administered in accordance with Minnesota Statutes, Chapters 353 and 356, which defines the plan's financial reporting requirements. The PERA's defined benefit pension plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code (IRC).

General Employees Retirement Fund (GERF)

Membership in the GERF includes employees of counties, cities, townships, schools in noncertified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than $425 in a month, unless the employee meets exclusion criteria.

B. Benefits Provided

The PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statutes and can only be modified by the State Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

GERF Benefits

The GERF requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for GERF members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, GERF members receive 1.2 percent of the highest average salary for each of the first 10 years of service, and 1.7 percent for each additional year. Under the Level formula, GERF members receive 1.7 percent of highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90, and normal retirement age is 65. Members can receive a reduced retirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by 0.25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25 percent for each month the member is younger than age 62. The Level formula allows GERF members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The post-retirement increase is equal to 50.0 percent of the cost of living adjustment (COLA) announced by the Social Security Administration, with a minimum increase of at least 1.0 percent and a maximum of 1.5 percent. The 2024 annual increase was 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase, will receive the full increase. Recipients receiving the annuity or benefit for at least one month, but less than a full year as of the June 30 before the effective date of the increase, will receive a prorated increase.

NOTE 10 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

C. Contributions

Minnesota Statutes, Chapter 353 and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the State Legislature.

GERF Contributions

General Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2024, and the City was required to contribute 7.50 percent for General Plan members. The City's contributions to the GERF for the year ended December 31, 2024, were $127,544. The City's contributions were equal to the required contributions as set by state statutes.

D. Pension Costs

GERF Pension Costs

At December 31, 2024, the City reported a liability of $731,068 for its proportionate share of the GERF's net pension liability. The City's net pension liability reflected a reduction, due to the state of Minnesota's contribution of $16.0 million. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the City totaled $18,904.

City's proportionate share of the net pension liability	$	731,068
State's proportionate share of the net pension liability associated with the City		18,904
Total	$	749,972

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of the PERA's participating employers. The City's proportionate share was 0.0198 percent at the end of the measurement period and 0.0207 percent for the beginning of the period.

For the year ended December 31, 2024, the City recognized pension expense of $82,901 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional $507 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of $16.0 million to the GERF.

During the plan year ended June 30, 2024, the state of Minnesota contributed $170.1 million to the General Employees Fund. The state of Minnesota is not included as a nonemployer contributing entity in the General Employees Plan pension allocation schedules for the $170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized $33,636 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota's on-behalf contributions to the General Employees Fund.

At December 31, 2024, the City reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 69,606	$ –
Changes in actuarial assumptions	3,573	286,148
Net difference between projected and actual earnings on pension plan investments	–	214,545
Changes in proportion	36,706	38,792
Employer contributions subsequent to the measurement date	63,684	–
Total	$ 173,569	$ 539,485

The $63,684 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
2025	$ (229,831)
2026	$ (40,113)
2027	$ (103,624)
2028	$ (56,032)

E. Long-Term Expected Return on Investments

The Minnesota State Board of Investment, which manages the investments of the PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best-estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.50 %	5.10 %
International equity	16.50	5.30 %
Fixed income	25.00	0.75 %
Private markets	25.00	5.90 %
Total	100.00 %	

NOTE 10 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

F. Actuarial Methods and Assumptions

The total pension liability for this cost-sharing defined benefit plan was determined by an actuarial valuation as of June 30, 2024, using the entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.00 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.00 percent is within that range.

Inflation is assumed to be 2.25 percent for the General Employees Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.00 percent after 27 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. The tables are adjusted slightly to fit the PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2024:

GERF

CHANGES IN ACTUARIAL ASSUMPTIONS

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 General Mortality Table, with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

CHANGES IN PLAN PROVISIONS

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors were updated to reflect the changes in assumptions.

G. Discount Rate

The discount rate used to measure the total pension liability in 2024 was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Pension Liability Sensitivity

The following table presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
City's proportionate share of the GERF net pension liability	$ 1,596,770	$ 731,068	$ 18,949

I. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.mnpera.org.

NOTE 11 – FLEXIBLE BENEFITS PLAN

The City maintains a flexible benefits plan (the Plan). The Plan is a "cafeteria plan" under § 125 of the IRC. All employee groups of the City are eligible to participate in the Plan. Eligible employees can elect to participate by contributing pretax dollars withheld from payroll checks to the Plan for healthcare and dependent care benefits. Payments are made from the Plan to participating employees upon submitting a request for reimbursement of eligible expenses actually incurred by the participant.

Before the beginning of the Plan year, which is from September 1 to August 31, each participant designates a total amount of pretax dollars to be contributed to the Plan during the year. At December 31, the City is contingently liable for claims against the total amount of participants' annual contributions to the healthcare part of the Plan, whether or not such contributions have been made.

An independent contractor serves as trustee and handles all plan recordkeeping. Employee contributions are included as personal services expenditures in the funds normally covering their payroll costs.

All property and income of the Plan attributable to that property is solely the property of the City, subject to the claims of the City's general creditors. Participants' rights under the Plan are equal to those of general creditors of the City in an amount equal to the eligible healthcare and dependent care expenses incurred by the participants. The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

NOTE 12 – JOINT POWERS AGREEMENTS

A. Centennial Fire District

The City is a member of a joint powers agreement, together with the City of Centerville, for the Centennial Fire District (the District). The District was created to provide fire protection services to the residents of the member cities. Each member city is entitled to appoint two members to the District's Steering Committee. Each member city contributes funds to cover the budgeted costs of operations as determined by the Steering Committee. The amount of contributions required by each member is based on each city's population, number of fire calls, and assessed valuations. Contributions made by member cities for 2024 were as follows:

City of Centerville	$ 422,321	46.6 %
City of Circle Pines	483,620	53.4
	$ 905,941	100.0 %

B. Centennial Lakes Police Department

The City is a member of the Centennial Lakes Police Department (the Department), an entity created by a joint powers agreement, which provides police protection services to its member cities. The Department is managed through a three-tier system consisting of a Governing Board, an Operations Committee, and a chief of police. The Governing Board consists of six members—two elected officials appointed by each member city. The Operations Committee is made up of the city administrators from each member city and the chief of police. The chief of police is appointed by mutual agreement of the City Councils of all member cities. Annual contributions required by each member city are calculated based on complaint history, population, and staffing formulas. Contributions by the municipalities for 2024 were as follows:

City of Centerville	$ 1,089,543	32.8 %
City of Circle Pines	1,270,524	38.3
City of Lexington	960,697	28.9
	$ 3,320,764	100.0 %

NOTE 12 – JOINT POWERS AGREEMENTS (CONTINUED)

C. Summary Financial Information of the Joint Powers Agreements Entities

The contributions to the joint fire district and the joint police department are reflected as expenditures in the City's General Fund. The District's and the Department's assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, and operations are excluded from the City's financial statements as further explained in Note 1 B. Reporting Entity.

The following information is from the government-wide financial statements of the District and the Department as of December 31, 2024. These financial statements are available for viewing at the Circle Pines City Hall.

	Centennial Fire District	Centennial Lakes Police Department
Total assets and deferred outflows	$ 1,997,643	$ 4,001,296
Total liabilities and deferred inflows	$ 235,351	$ 4,966,676
Total net position	$ 1,762,292	$ (965,380)
Total revenue	$ 1,218,641	$ 3,126,335
Total expenses	$ 822,557	$ 3,286,658

NOTE 13 – COMMITMENTS AND CONTINGENCIES

A. State and Federal Receivables

Amounts recorded or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of claims which may be disallowed by the grantor agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

B. Legal Claims

The City has the usual and customary type of miscellaneous legal claims pending at year-end. Although the outcome of these lawsuits is not presently determinable, the City's management believes that the City will not incur any material monetary loss resulting from these claims. No loss has been recorded on the City's financial statements relating to these claims.

C. Tax Increment Districts

The City's tax increment districts are subject to review by the Minnesota Office of the State Auditor. Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance, which would have a material effect on the financial statements.

D. Construction Contracts

The City has one outstanding contract at year-end. A liability for work completed has been recorded as contracts payable. The City's commitment for uncompleted work on the contract on December 31, 2024, is $141,100.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF CIRCLE PINES

PERA – General Employees Retirement Fund
Schedule of City's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended December 31, 2024

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the City's Share of the State of Minnesota's Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.0178%	$ 922,488	$ –	$ 922,488	$ 1,043,718	88.38%	78.2%
12/31/2016	06/30/2016	0.0170%	$ 1,380,315	$ 18,004	$ 1,398,319	$ 1,053,820	130.98%	68.9%
12/31/2017	06/30/2017	0.0186%	$ 1,187,412	$ 14,964	$ 1,202,376	$ 1,200,966	98.87%	75.9%
12/31/2018	06/30/2018	0.0184%	$ 1,020,756	$ 33,476	$ 1,054,232	$ 1,235,383	82.63%	79.5%
12/31/2019	06/30/2019	0.0178%	$ 984,122	$ 30,665	$ 1,014,787	$ 1,259,687	78.12%	80.2%
12/31/2020	06/30/2020	0.0184%	$ 1,103,164	$ 34,076	$ 1,137,240	$ 1,314,403	83.93%	79.1%
12/31/2021	06/30/2021	0.0197%	$ 841,279	$ 25,689	$ 866,968	$ 1,416,737	59.38%	87.0%
12/31/2022	06/30/2022	0.0198%	$ 1,568,167	$ 46,018	$ 1,614,185	$ 1,486,200	105.52%	76.7%
12/31/2023	06/30/2023	0.0207%	$ 1,157,521	$ 31,803	$ 1,189,324	$ 1,644,310	70.40%	83.1%
12/31/2024	06/30/2024	0.0198%	$ 731,068	$ 18,904	$ 749,972	$ 1,673,663	43.68%	89.1%

PERA – General Employees Retirement Fund
Schedule of City Contributions
Year Ended December 31, 2024

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	$ 79,238	$ 79,238	$ –	$ 1,056,524	7.50%
12/31/2016	$ 83,978	$ 83,978	$ –	$ 1,119,703	7.50%
12/31/2017	$ 91,808	$ 91,808	$ –	$ 1,224,106	7.50%
12/31/2018	$ 92,800	$ 92,800	$ –	$ 1,237,333	7.50%
12/31/2019	$ 96,837	$ 96,837	$ –	$ 1,291,162	7.50%
12/31/2020	$ 106,337	$ 106,337	$ –	$ 1,417,824	7.50%
12/31/2021	$ 108,950	$ 108,950	$ –	$ 1,452,662	7.50%
12/31/2022	$ 114,055	$ 114,055	$ –	$ 1,520,729	7.50%
12/31/2023	$ 123,342	$ 123,342	$ –	$ 1,644,561	7.50%
12/31/2024	$ 127,544	$ 127,544	$ –	$ 1,700,593	7.50%

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PERA – GENERAL EMPLOYEES RETIREMENT FUND

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 General Mortality Table, with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

2024 CHANGES IN PLAN PROVISIONS

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors were updated to reflect the changes in assumptions.

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return assumption and single discount rate were changed from 6.50 percent to 7.00 percent.

2023 CHANGES IN PLAN PROVISIONS

- An additional one-time direct state aid contribution of $170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, noncompounding benefit increase of 2.50 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two through five, and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 Table to the Pub-2010 General Mortality Table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 Disabled Annuitant Mortality Table to the Pub-2010 General/Teacher Disabled Annuitant Mortality Table, with adjustments.
- The mortality improvement scale was changed from MP-2018 to MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100.00 percent joint and survivor option changed from 35.00 percent to 45.00 percent. The assumed number of married female new retirees electing the 100.00 percent joint and survivor option changed from 15.00 percent to 30.00 percent. The corresponding number of married new retirees electing the life annuity option was adjusted accordingly.

2020 CHANGES IN PLAN PROVISIONS

- Augmentation for current privatized members was reduced to 2.00 percent for the period July 1, 2020 through December 31, 2023, and zero percent thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2017 to MP-2018.

2019 CHANGES IN PLAN PROVISIONS

- The employer supplemental contribution was changed prospectively, decreasing from $31.0 million to $21.0 million per year. The state's special funding contribution was changed prospectively, requiring $16.0 million due per year through 2031.

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00 percent per year through 2044, and 2.50 percent per year thereafter, to 1.25 percent per year.

2018 CHANGES IN PLAN PROVISIONS

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to zero percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The Combined Service Annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and nonvested deferred members. The revised CSA loads are now zero percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for nonvested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years, to 1.00 percent per year through 2044, and 2.50 percent per year thereafter.

2017 CHANGES IN PLAN PROVISIONS

- The state's contribution for the Minneapolis Employees Retirement Fund equals $16.0 million in 2017 and 2018, and $6.0 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from $21.0 million to $31.0 million in calendar years 2019 to 2031. The state's contribution changed from $16.0 million to $6.0 million in calendar years 2019 to 2031.

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035, and 2.50 percent per year thereafter, to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth, and 2.50 percent for inflation.

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030, and 2.50 percent per year thereafter, to 1.00 percent per year through 2035, and 2.50 percent per year thereafter.

2015 CHANGES IN PLAN PROVISIONS

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by $1.1 billion and increased the fiduciary plan net position by $892.0 million. Upon consolidation, state and employer contributions were revised; the state's contribution of $6.0 million, which meets the special funding situation definition, was due September 2015.

SUPPLEMENTARY INFORMATION

CITY OF CIRCLE PINES

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	Debt Service	Capital Project	Total Nonmajor Governmental Funds
Assets			
Cash and temporary investments	$ 461,297	$ 1,520,897	$ 1,982,194
Receivables			
Accrued interest	591	4,944	5,535
Special assessments – delinquent	7,096	–	7,096
Special assessments – deferred	859,567	–	859,567
Due from other governmental units	5,160	–	5,160
Total assets	$ 1,333,711	$ 1,525,841	$ 2,859,552
Liabilities			
Accounts and contract payable	$ –	$ 40,461	$ 40,461
Deferred inflows of resources			
Unavailable revenue – special assessments	866,663	–	866,663
Fund balances			
Restricted	467,048	310,856	777,904
Assigned	–	1,174,524	1,174,524
Total fund balances	467,048	1,485,380	1,952,428
Total liabilities, deferred inflows of resources, and fund balances	$ 1,333,711	$ 1,525,841	$ 2,859,552

CITY OF CIRCLE PINES

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2024

	Debt Service	Capital Project	Total Nonmajor Governmental Funds
Revenue			
Taxes			
Property taxes	$ 400,000	$ –	$ 400,000
Special assessments	244,008	–	244,008
Other revenue			
Investment earnings	10,280	87,678	97,958
Lease and rental	–	309,542	309,542
Total revenue	654,288	397,220	1,051,508
Expenditures			
Capital outlay	–	673,656	673,656
Debt service			
Principal retirement	1,040,000	–	1,040,000
Interest and other	259,733	–	259,733
Total expenditures	1,299,733	673,656	1,973,389
Excess (deficiency) of revenue over expenditures	(645,445)	(276,436)	(921,881)
Other financing sources			
Transfers in	331,811	5,460	337,271
Sale of capital assets	–	82,022	82,022
Other financing sources	331,811	87,482	419,293
Net change in fund balances	(313,634)	(188,954)	(502,588)
Fund balances			
Beginning of year, as previously reported	780,682	3,081,380	3,862,062
Change within financial reporting entity (nonmajor to major fund)	–	(1,407,046)	(1,407,046)
Beginning of year, restated	780,682	1,674,334	2,455,016
End of year	$ 467,048	$ 1,485,380	$ 1,952,428

CITY OF CIRCLE PINES

Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2024

	2020 Refunding of Tax Increment Bonds of 2012	2020 Refunding of G.O. Street Bonds of 2012	G.O. Street Bonds of 2014	G.O. Street Refunding Bonds of 2015	G.O. Street Bonds of 2015 Partial Reconstruction
Assets					
Cash and temporary investments	$ –	$ –	$ 54,829	$ –	$ 114,371
Receivables					
Accrued interest	–	–	–	–	278
Special assessments – delinquent	–	–	495	–	–
Special assessments – deferred	–	–	6,063	–	15,423
Due from other governmental units	–	–	1,233	–	734
Total assets	$ –	$ –	$ 62,620	$ –	$ 130,806
Deferred inflows of resources					
Unavailable revenue – special assessments	$ –	$ –	$ 6,558	$ –	$ 15,423
Fund balances					
Restricted for debt service	–	–	56,062	–	115,383
Total deferred inflows of resources and fund balances	$ –	$ –	$ 62,620	$ –	$ 130,806

G.O. Street Bonds of 2016	G.O. Street Bonds of 2018	G.O. Street Bonds of 2020	G.O. Street Bonds of 2022	Closed Bond Fund	Total Nonmajor Debt Service Funds
$ –	$ 125,610	$ 49,960	$ 54,194	$ 62,333	$ 461,297
–	–	70	78	165	591
–	5,316	285	314	686	7,096
37,934	228,682	253,271	312,777	5,417	859,567
1,310	1,628	14	–	241	5,160
$ 39,244	$ 361,236	$ 303,600	$ 367,363	$ 68,842	$ 1,333,711
$ 37,934	$ 233,998	$ 253,556	$ 313,091	$ 6,103	$ 866,663
1,310	127,238	50,044	54,272	62,739	467,048
$ 39,244	$ 361,236	$ 303,600	$ 367,363	$ 68,842	$ 1,333,711

CITY OF CIRCLE PINES

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended December 31, 2024

	2020 Refunding of Tax Increment Bonds of 2012	2020 Refunding of G.O. Street Bonds of 2012	G.O. Street Bonds of 2014	G.O. Street Refunding Bonds of 2015	G.O. Street Bonds of 2015 Partial Reconstruction
Revenue					
Taxes					
Property taxes	$ –	$ –	$ 135,561	$ –	$ –
Special assessments	–	–	22,549	–	16,310
Other revenue					
Investment earnings (charges)	–	–	–	–	4,863
Total revenue	–	–	158,110	–	21,173
Expenditures					
Debt service					
Principal retirement	130,000	75,000	150,000	80,000	50,000
Interest and other	29,601	15,713	27,498	1,303	3,373
Total expenditures	159,601	90,713	177,498	81,303	53,373
Excess (deficiency) of revenue over expenditures	(159,601)	(90,713)	(19,388)	(81,303)	(32,200)
Other financing sources					
Transfers in	159,601	90,713	–	81,303	–
Net change in fund balances	–	–	(19,388)	–	(32,200)
Fund balances					
Beginning of year	–	–	75,450	–	147,583
End of year	$ –	$ –	$ 56,062	$ –	$ 115,383

G.O. Street Bonds of 2016	G.O. Street Bonds of 2018	G.O. Street Bonds of 2020	G.O. Street Bonds of 2022	Closed Bond Fund	Total Nonmajor Debt Service Funds
$ 102,463	$ 161,976	$ –	$ –	$ –	$ 400,000
20,673	69,702	53,788	60,160	826	244,008
–	(127)	1,046	1,444	3,054	10,280
123,136	231,551	54,834	61,604	3,880	654,288
110,000	195,000	150,000	100,000	–	1,040,000
19,093	57,287	53,654	52,211	–	259,733
129,093	252,287	203,654	152,211	–	1,299,733
(5,957)	(20,736)	(148,820)	(90,607)	3,880	(645,445)
194	–	–	–	–	331,811
(5,763)	(20,736)	(148,820)	(90,607)	3,880	(313,634)
7,073	147,974	198,864	144,879	58,859	780,682
$ 1,310	$ 127,238	$ 50,044	$ 54,272	$ 62,739	$ 467,048

CITY OF CIRCLE PINES

Combining Balance Sheet
Nonmajor Capital Project Funds
December 31, 2024

	Equipment Acquisition	Capital Improvements	Parks Improvements
Assets			
Cash and temporary investments	$ 151,716	$ 797,653	$ 179,219
Receivables			
Accrued interest	477	2,814	594
Total assets	$ 152,193	$ 800,467	$ 179,813
Liabilities			
Accounts and contracts payable	$ –	$ 40,461	$ –
Fund balances			
Restricted for park dedicated improvements	–	–	–
Restricted for equipment acquisitions	–	–	–
Assigned for equipment acquisitions	152,193	–	–
Assigned for capital improvements	–	760,006	–
Assigned for park improvements	–	–	179,813
Assigned for community improvements	–	–	–
Total fund balances	152,193	760,006	179,813
Total liabilities and fund balances	$ 152,193	$ 800,467	$ 179,813

Park Dedicated Improvements	Formerly Nonmajor Permanent Improvement Revolving	Telecommunications Commission	Community Improvement	Total Nonmajor Capital Project Funds
$ 288,191	$ –	$ 21,835	$ 82,283	$ 1,520,897
772	–	58	229	4,944
$ 288,963	$ –	$ 21,893	$ 82,512	$ 1,525,841
$ –	$ –	$ –	$ –	$ 40,461
288,963	–	–	–	288,963
–	–	21,893	–	21,893
–	–	–	–	152,193
–	–	–	–	760,006
–	–	–	–	179,813
–	–	–	82,512	82,512
288,963	–	21,893	82,512	1,485,380
$ 288,963	$ –	$ 21,893	$ 82,512	$ 1,525,841

CITY OF CIRCLE PINES

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Nonmajor Capital Project Funds
Year Ended December 31, 2024

	Equipment Acquisition	Capital Improvements	Parks Improvements
Revenue			
Other revenue			
Investment earnings	$ 8,315	$ 50,099	$ 10,478
Lease and rental	147,778	134,702	27,062
Total revenue	156,093	184,801	37,540
Expenditures			
Capital outlay	218,629	356,242	93,785
Excess (deficiency) of revenue over expenditures	(62,536)	(171,441)	(56,245)
Other financing sources			
Transfers in	–	5,460	–
Sale of capital assets	82,022	–	–
Total other financing sources	82,022	5,460	–
Net change in fund balances	19,486	(165,981)	(56,245)
Fund balances			
Beginning of year, as previously reported	132,707	925,987	236,058
Change within financial reporting entity (nonmajor to major fund)	–	–	–
Beginning of year, restated	132,707	925,987	236,058
End of year	$ 152,193	$ 760,006	$ 179,813

Park Dedicated Improvements	Formerly Nonmajor Permanent Improvement Revolving	Telecommunications Commission	Community Improvement	Total Nonmajor Capital Project Funds
$ 13,687	$ –	$ 1,037	$ 4,062	$ 87,678
–	–	–	–	309,542
13,687	–	1,037	4,062	397,220
–	–	–	5,000	673,656
13,687	–	1,037	(938)	(276,436)
–	–	–	–	5,460
–	–	–	–	82,022
–	–	–	–	87,482
13,687	–	1,037	(938)	(188,954)
275,276	1,407,046	20,856	83,450	3,081,380
–	(1,407,046)	–	–	(1,407,046)
275,276	–	20,856	83,450	1,674,334
$ 288,963	$ –	$ 21,893	$ 82,512	$ 1,485,380

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OTHER REQUIRED REPORTS

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the City Council and Management
City of Circle Pines, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Circle Pines, Minnesota (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 8, 2025.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified one deficiency in internal control, described in the accompanying Schedule of Findings and Responses as finding 2024-001 that we consider to be a material weakness.

(continued)

605 US Highway 169 N, Suite 650, Minneapolis, MN 55441
763.535.8150 | www.lbcarlson.com

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

CITY'S RESPONSE TO FINDING

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

LB Carlson, LLP

LB CARLSON, LLP
Minneapolis, Minnesota

May 8, 2025

LB | CARLSON

INDEPENDENT AUDITOR'S REPORT

ON MINNESOTA LEGAL COMPLIANCE

To the City Council and Management
City of Circle Pines, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Circle Pines, Minnesota (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 8, 2025.

MINNESOTA LEGAL COMPLIANCE

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minnesota Statutes § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

LB Carlson, LLP

LB CARLSON, LLP
Minneapolis, Minnesota

May 8, 2025

605 US Highway 169 N, Suite 650, Minneapolis, MN 55441
763.535.8150 | www.lbcarlson.com

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FINANCIAL STATEMENT FINDINGS – MATERIAL WEAKNESS IN INTERNAL CONTROL OVER FINANCIAL REPORTING

2024-001 INADEQUATE SEGREGATION OF DUTIES

Criteria – Internal control over financial reporting.

Condition – The City of Circle Pines, Minnesota (the City) has limited segregation of duties in a number of areas.

Questioned Costs – Not applicable.

Context – The condition applies to multiple areas.

Repeat Finding – This is a current year and prior year finding.

Cause – The limited segregation of duties is primarily caused by the limited size of the City's finance department staff.

Effect – One important element of internal accounting controls is an adequate segregation of duties such that no one individual should have responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction. A lack of segregation of duties subjects the City to a higher risk that errors or fraud could occur and not be detected in a timely manner in the normal course of business.

Recommendation – This condition is common to organizations of your size. We recommend that the City segregate duties as best it can within the limits of the staff available. Any modifications in internal control in this area should be viewed from a cost-benefit perspective.

Management Response – There is no disagreement with the audit finding. The City reviews and makes improvements to its internal control structure on an ongoing basis and attempts to maximize the segregation of duties in all areas within the limits of the staff available to eliminate or mitigate this internal control weakness. However, the City does not consider it cost-beneficial at this time to increase the size of its staff in order to further segregate accounting functions.

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City of
CIRCLE PINES

200 Civic Heights Circle
Circle Pines, MN 55014
(763) 784-5898

www.ci.circle-pines.mn.us

Agenda Item 6.c.

Memo

To: City Council
From: Patrick Antonen
Date: May 22, 2025
Re: Public Works Roof – Change Order

During the roof replacement the contractor ran into more wet insulation than originally thought. The wet insulation cannot be used and needs to be replaced. We hoped we could reuse as much insulation as possible but it did not pan out that way. We did receive some credits on some parts of the roof that could be reused like some of the metal flashing. Overall, the change order is for $46,562.

Staff Recommends approving Change Order 1.

Enclosures: Change Order 1

AIA® Document G701® – 2017

Change Order

PROJECT: *(Name and address)*	CONTRACT INFORMATION:	CHANGE ORDER INFORMATION:
2024 Roof Replacement at the Public Works Building (215888) 700 Civic Heights Drive Circle Pines, MN	Contract For: General Construction Date: October 24, 2024	Change Order Number: 001 Date: April 28, 2025

OWNER: *(Name and address)*	ARCHITECT: *(Name and address)*	CONTRACTOR: *(Name and address)*
City of Circle Pines 200 Civic Heights Circle Circle Pines, MN 55014	Inspec, Inc. 5801 Duluth Street Minneapolis, MN 55422	Berwald Roofing Company, Inc. 2440 N. Charles Street N. St. Paul, MN 55109-3080

THE CONTRACT IS CHANGED AS FOLLOWS:
(Insert a detailed description of the change and, if applicable, attach or reference specific exhibits. Also include agreed upon adjustments attributable to executed Construction Change Directives.)

1. Insulation replacement: $55,050
2. Roofing credits: ($8,488)

TOTAL for this Change Order 1 = Add $46,562.00

The original Contract Sum was	$	366,100.00
The net change by previously authorized Change Orders	$	0.00
The Contract Sum prior to this Change Order was	$	366,100.00
The Contract Sum will be increased by this Change Order in the amount of	$	46,562.00
The new Contract Sum including this Change Order will be	$	412,662.00

The Contract Time will be increased by Zero (0) days.
The new date of Substantial Completion will be

NOTE: This Change Order does not include adjustments to the Contract Sum or Guaranteed Maximum Price, or the Contract Time, that have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

ARCHITECT *(Firm name)*	CONTRACTOR *(Firm name)*	OWNER *(Firm name)*
Inspec, Inc.	Berwald Roofing Company, Inc.	City of Circle Pines
SIGNATURE	SIGNATURE	SIGNATURE
Gerald Peterson, Sr. Observer	Eugene Berwald	
PRINTED NAME AND TITLE	PRINTED NAME AND TITLE	PRINTED NAME AND TITLE
04/28/2025	4/30/25	
DATE	DATE	DATE

2025 Street Rehabilitation Project **Pay Voucher 1**

Client: City of Circle Pines 200 Civic Heights Circle Circle Pines, MN 55014-1788	**Contractor:** Valley Paving Inc 8800 13th Ave E Shakopee, MN 55379

WSB Project No.: 025186-000
Client Project No.:
State Project No.: SAP 244-106-002 SAP 244-112-001
Federal Project No.:

Contract Amount		**Funds Encumbered**	
Original Contract	$2,146,146.00	Original	$2,146,146.00
Contract Changes	$0.00	Additional	N/A
Revised Contract	$2,146,146.00	Total	$2,146,146.00

Work Certified To Date	
Base Bid Items	$42,699.34
Contract Changes	$0.00
Material On Hand	$0.00
Total	$42,699.34

Work Certified This Voucher	Work Certified To Date	Less Amount Retained	Less Previous Payments	Amount Paid This Voucher	Total Amount Paid To Date
$42,699.34	$42,699.34	$2,134.97	$0.00	$40,564.37	$40,564.37
		Percent Retained: 5%			Percent Complete: 1.99%

This is to certify that the items of work shown in this Pay Voucher have been actually furnished for the work comprising the above-mentioned project in accordance with the plans and specifications heretofore approved.

Approved By Valley Paving Inc

Signature

5/20/25

Date

Approved By WSB

Signature

May 20, 2025

Date

Approved By City of Circle Pines

Signature

Date

Payment Summary				
No.	Up Through Date	Work Certified Per Voucher	Amount Retained Per Voucher	Amount Paid Per Voucher
1	04/30/25	$42,699.34	$2,134.97	$40,564.37

Funding Category Name	Work Certified To Date	Less Amount Retained	Less Previous Payments	Amount Paid This Voucher	Total Amount Paid To Date
LOCAL	$2,260.00	$113.00	$0.00	$2,147.00	$2,147.00
SAP 244-106-002	$40,166.87	$2,008.35	$0.00	$38,158.52	$38,158.52
SAP 244-112-001	$272.47	$13.62	$0.00	$258.85	$258.85

Accounting Number	Funding Source	Amount Paid This Voucher	Revised Contract Amount	Funds Encumbered To Date	Paid Contractor To Date
1	State Aid	$38,158.52	$356,524.82	$356,524.82	$38,158.52
2	State Aid	$258.85	$340,477.01	$340,477.01	$258.85
3	Local	$2,147.00	$1,449,144.17	$1,449,144.17	$2,147.00

Contract Item Status

Line No.	Item	Description	Unit	Unit Price	Contract Quantity	Quantity This Voucher	Amount This Voucher	Quantity To Date	Amount To Date
1	2021.501	MOBILIZATION	LS	$73,553.73	1	0.5	$36,776.87	0.5	$36,776.87
2	2101.502	CLEARING	EACH	$550.00	2	0	$0.00	0	$0.00
3	2101.502	GRUBBING	EACH	$150.00	2	0	$0.00	0	$0.00
4	2104.502	REMOVE DRAINAGE STRUCTURE	EACH	$750.00	5	0	$0.00	0	$0.00
5	2104.502	SALVAGE SIGN	EACH	$47.00	78	0	$0.00	0	$0.00
6	2104.503	SALVAGE CHAIN LINK FENCE	L F	$45.00	20	0	$0.00	0	$0.00
7	2104.503	SAWING CONCRETE PAVEMENT (FULL DEPTH)	L F	$6.00	236	43	$258.00	43	$258.00
8	2104.503	SAWING BIT PAVEMENT (FULL DEPTH)	L F	$0.01	9311	1447	$14.47	1447	$14.47
9	2104.503	REMOVE CURB & GUTTER	L F	$9.30	8050	0	$0.00	0	$0.00
10	2104.503	REMOVE SANITARY SERVICE PIPE	L F	$34.00	50	0	$0.00	0	$0.00
11	2104.503	REMOVE SEWER PIPE (STORM)	L F	$22.00	63	0	$0.00	0	$0.00
12	2104.504	REMOVE CONCRETE DRIVEWAY PAVEMENT	S Y	$25.00	210	0	$0.00	0	$0.00
13	2104.504	REMOVE BITUMINOUS DRIVEWAY PAVEMENT	S Y	$8.00	205	0	$0.00	0	$0.00
14	2104.504	REMOVE BITUMINOUS PAVEMENT	S Y	$5.00	5067	0	$0.00	0	$0.00
15	2104.518	REMOVE CONCRETE WALK	S F	$2.25	1372	0	$0.00	0	$0.00
16	2104.502	SALVAGE MAIL BOX SUPPORT	EACH	$78.00	12	0	$0.00	0	$0.00

Contract Item Status

Line No.	Item	Description	Unit	Unit Price	Contract Quantity	Quantity This Voucher	Amount This Voucher	Quantity To Date	Amount To Date
17	2104.618	SALVAGE BRICK PAVERS	S F	$1.50	2090	0	$0.00	0	$0.00
18	2106.507	EXCAVATION - COMMON (P)	C Y	$45.00	66	0	$0.00	0	$0.00
19	2112.604	SUBGRADE PREPARATION	S Y	$1.00	4069	0	$0.00	0	$0.00
20	2123.610	SKID LOADER	HOUR	$80.00	30	0	$0.00	0	$0.00
21	2123.610	STREET SWEEPER (WITH PICKUP BROOM)	HOUR	$1.00	110	0	$0.00	0	$0.00
22	2130.523	WATER	MGAL	$50.00	120	0	$0.00	0	$0.00
23	2211.507	AGGREGATE BASE (CV) CLASS 5	C Y	$1.00	66	0	$0.00	0	$0.00
24	2215.504	FULL DEPTH RECLAMATION	S Y	$5.70	21494	0	$0.00	0	$0.00
25	2231.604	BITUMINOUS PATCH SPECIAL	S Y	$27.00	869	0	$0.00	0	$0.00
26	2232.504	MILL BITUMINOUS SURFACE (2.0")	S Y	$1.55	37421	0	$0.00	0	$0.00
27	2357.506	BITUMINOUS MATERIAL FOR TACK COAT	GAL	$0.01	5026	0	$0.00	0	$0.00
28	2360.504	TYPE SP 9.5 WEAR CRS MIX(2,C) 3.0" THICK	S Y	$34.00	205	0	$0.00	0	$0.00
29	2360.509	TYPE SP 12.5 WEARING COURSE MIX (2,B)	TON	$85.25	4354	0	$0.00	0	$0.00
30	2360.509	TYPE SP 12.5 WEARING COURSE MIX (2,C)	TON	$97.00	1996	0	$0.00	0	$0.00
31	2360.509	TYPE SP 12.5 NON WEAR COURSE MIX (2,C)	TON	$94.20	2777	0	$0.00	0	$0.00
32	2502.503	4" PE PIPE DRAIN	L F	$40.00	250	0	$0.00	0	$0.00
33	2503.503	15" RC PIPE SEWER DES 3006 CL V	L F	$78.00	749	0	$0.00	0	$0.00
34	2503.503	21" RC PIPE SEWER DES 3006 CL III	L F	$103.00	63	0	$0.00	0	$0.00
35	2503.602	CONNECT TO EXISTING MANHOLES (SAN)	EACH	$6,100.00	1	0	$0.00	0	$0.00
36	2503.602	CONNECT TO EXISTING STORM SEWER	EACH	$960.00	7	0	$0.00	0	$0.00
37	2503.602	CONNECT TO EXISTING SANITARY SEWER SER	EACH	$1,700.00	1	0	$0.00	0	$0.00
38	2503.602	8"X4" PVC WYE	EACH	$1,300.00	1	0	$0.00	0	$0.00
39	2503.602	8"X8" PVC WYE	EACH	$1,600.00	1	0	$0.00	0	$0.00
40	2503.602	TELEVISE SANITARY SEWER SERVICE	EACH	$425.00	2	0	$0.00	0	$0.00

Contract Item Status

Line No.	Item	Description	Unit	Unit Price	Contract Quantity	Quantity This Voucher	Amount This Voucher	Quantity To Date	Amount To Date
41	2503.603	TELEVISE SANITARY SEWER	L F	$13.00	184	0	$0.00	0	$0.00
42	2503.603	4" PVC SANITARY SERVICE PIPE	L F	$79.00	50	0	$0.00	0	$0.00
43	2503.603	8" PVC PIPE SEWER SDR 26	LF	$112.00	234	0	$0.00	0	$0.00
44	2504.602	8" GATE VALVE & BOX	EACH	$8,750.00	1	0	$0.00	0	$0.00
45	2504.602	ADJUST GATE VALVE & BOX	EACH	$425.00	37	0	$0.00	0	$0.00
46	2504.602	CONNECT TO EXISTING WATERMAIN	EA	$2,000.00	2	0	$0.00	0	$0.00
47	2504.603	8" WATERMAIN DUCTILE IRON CL 52	L F	$115.00	50	0	$0.00	0	$0.00
48	2504.608	DUCTILE IRON FITTINGS	LB	$18.00	112	0	$0.00	0	$0.00
49	2506.502	CASTING ASSEMBLY	EACH	$865.00	10	0	$0.00	0	$0.00
50	2506.502	ADJUST FRAME & RING CASTING	EACH	$865.00	42	0	$0.00	0	$0.00
51	2506.503	CONST DRAINAGE STRUCTURE DES 48-4020	L F	$815.00	35	0	$0.00	0	$0.00
52	2506.503	CONST DRAINAGE STRUCTURE DES 84-4020	L F	$2,350.00	6	0	$0.00	0	$0.00
53	2506.602	CASTING ASSEMBLY (SANITARY)	EACH	$1,250.00	1	0	$0.00	0	$0.00
54	2506.602	CHIMNEY SEAL	EACH	$265.00	42	0	$0.00	0	$0.00
55	2506.602	CONST DRAINAGE STRUCTURE DESIGN SPEC (2'X3')	EACH	$2,700.00	4	0	$0.00	0	$0.00
56	2506.603	CONSTRUCT 48" DIA SANITARY MANHOLE	L F	$1,215.00	12	0	$0.00	0	$0.00
57	2521.518	4" CONCRETE WALK	S F	$10.00	105	0	$0.00	0	$0.00
58	2521.518	4" CONCRETE WALK SPECIAL	S F	$10.00	158	0	$0.00	0	$0.00
59	2521.518	6" CONCRETE WALK	S F	$10.00	234	0	$0.00	0	$0.00
60	2521.518	6" CONCRETE WALK SPECIAL	S F	$11.00	2513	0	$0.00	0	$0.00
61	2531.503	CONCRETE CURB & GUTTER DESIGN B612	L F	$28.00	593	0	$0.00	0	$0.00
62	2531.503	CONCRETE CURB & GUTTER DESIGN B618	L F	$38.00	3767	0	$0.00	0	$0.00
63	2531.504	6" CONCRETE DRIVEWAY PAVEMENT	S Y	$79.00	210	0	$0.00	0	$0.00
64	2531.603	CONCRETE CURB & GUTTER DES SURMOUNTABLE	L F	$28.00	3690	0	$0.00	0	$0.00

Contract Item Status

Line No.	Item	Description	Unit	Unit Price	Contract Quantity	Quantity This Voucher	Amount This Voucher	Quantity To Date	Amount To Date
65	2531.603	7" CONCRETE VALLEY GUTTER	L F	$104.00	135	0	$0.00	0	$0.00
66	2531.618	TRUNCATED DOMES	S F	$52.00	468	0	$0.00	0	$0.00
67	2540.602	INSTALL MAIL BOX SUPPORT	EACH	$104.00	12	0	$0.00	0	$0.00
68	2540.602	TEMPORARY MAIL BOX	EACH	$52.00	12	0	$0.00	0	$0.00
69	2540.618	INSTALL BRICK PAVERS	S F	$17.00	780	0	$0.00	0	$0.00
70	2557.602	REPAIR DOG FENCE	EACH	$260.00	8	0	$0.00	0	$0.00
71	2557.603	INSTALL CHAIN LINK FENCE	L F	$113.00	20	0	$0.00	0	$0.00
72	2563.601	TRAFFIC CONTROL	LS	$11,300.00	1	0.5	$5,650.00	0.5	$5,650.00
73	2564.518	SIGN PANELS TYPE C	S F	$49.00	423	0	$0.00	0	$0.00
74	2564.602	SIGN PANELS TYPE SPECIAL	EACH	$338.00	42	0	$0.00	0	$0.00
75	2573.501	STABILIZED CONSTRUCTION EXIT	LS	$600.00	1	0	$0.00	0	$0.00
76	2573.502	STORM DRAIN INLET PROTECTION	EACH	$125.00	97	0	$0.00	0	$0.00
77	2573.503	SILT FENCE, TYPE MS	L F	$3.00	200	0	$0.00	0	$0.00
78	2573.503	SEDIMENT CONTROL LOG TYPE WOOD FIBER	L F	$3.00	500	0	$0.00	0	$0.00
79	2574.507	COMMON TOPSOIL BORROW	C Y	$46.00	1284	0	$0.00	0	$0.00
80	2574.508	FERTILIZER TYPE 3	LB	$1.00	244	0	$0.00	0	$0.00
81	2575.504	SODDING TYPE LAWN	S Y	$13.00	3247	0	$0.00	0	$0.00
82	2575.505	SEEDING	ACRE	$550.00	0.9	0	$0.00	0	$0.00
83	2575.508	HYDRAULIC MULCH MATRIX	LB	$1.15	2600	0	$0.00	0	$0.00
84	2575.523	WATER	MGAL	$55.00	140	0	$0.00	0	$0.00
85	2575.608	SEED RESIDENTIAL TURFGRASS	LB	$4.00	202	0	$0.00	0	$0.00
86	2582.503	4" SOLID LINE PAINT	L F	$0.75	3032	0	$0.00	0	$0.00
87	2582.503	4" SOLID LINE MULTI COMP	L F	$1.10	191	0	$0.00	0	$0.00
88	2582.503	12" SOLID LINE MULTI COMP	L F	$6.25	23	0	$0.00	0	$0.00
89	2582.503	4" DBLE SOLID LINE MULTI COMP	L F	$2.20	469	0	$0.00	0	$0.00
90	2582.518	PAVT MSSG MULTI COMP	S F	$11.50	82	0	$0.00	0	$0.00

Contract Item Status

Line No.	Item	Description	Unit	Unit Price	Contract Quantity	Quantity This Voucher	Amount This Voucher	Quantity To Date	Amount To Date
91	2582.518	CROSSWALK MULTI COMP	S F	$6.25	432	0	$0.00	0	$0.00
92	2582.618	PAVEMENT MARKING SPECIAL	S F	$24.00	1488	0	$0.00	0	$0.00
93	2104.601	SALVAGE AND REINSTALL LANDSCAPE STRUCTURES	L S	$8,000.00	1	0	$0.00	0	$0.00
94	2502.601	IRRIGATION SYSTEM PROVISION	LS	$8,000.00	1	0	$0.00	0	$0.00
Bid Totals:							**$42,699.34**		**$42,699.34**

Project Category Totals

Category	Amount This Voucher	Amount To Date
BASE BID	$42,699.34	$42,699.34
PROVISIONAL ITEMS	$0.00	$0.00

Contract Change Item Status

CC	CC No.	Line No.	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Voucher	Amount This Voucher	Quantity To Date	Amount To Date
Contract Change Totals:											

Contract Change Totals

No.	Contract Change	Description	Amount This Voucher	Amount To Date

Material On Hand Additions

Line No.	Item	Description	Date	Added	Comments

Material On Hand Balance

Line No.	Item	Description	Date	Added	Used	Remaining

City of
CIRCLE PINES

200 Civic Heights Circle
Circle Pines, MN 55014
(763) 784-5898

www.ci.circle-pines.mn.us

Agenda Item 6.e.

Memo

To: City Council
From: Patrick Antonen
Date: May 22, 2025
Re: Anti-Drug and Alcohol Plan

We recently completed our drug and alcohol audit from the Minnesota Office of Pipeline Safety(MNOPS). They recommended a few additions to our plan which are called out in the redline. The updates include more descriptions regarding the responsibilities of the Medical Review Officer, address of the consortium we use and more detail regarding screening test results. They also recommend we remove the matrix which isn't needed and update our covered group to just employees that would work directly with the pipeline. So, we are creating a new drug testing group for the employees that have been removed from the covered group. With these changes we will successfully pass our audit with MNOPS

Staff Recommends approving the updated Anti-Drug and Alcohol Plan.

Enclosures: Anti-Drug and Alcohol Plan

ANTI-DRUG AND ALCOHOL PLAN
FOR

CENTENNIAL UTILITIES/CITY OF CIRCLE PINES

VERSION: 5.1.1
EFFECTIVE DATE: APRIL 22, 2025

Anti-Drug and Alcohol Plan: For Centennial Utilities/City of Circle Pines

DISCLAIMER AND CONDITIONS OF USE

This Anti-Drug and Alcohol Plan (the "Plan") was developed by the APGA Security and Integrity Foundation (SIF) to assist operators in preventing, in accordance with applicable Federal and State Regulations related to natural gas pipeline safety (the "Regulations"), accidents and injuries resulting from the use of prohibited drugs by employees who perform covered functions for operators of certain pipeline facilities. The SIF has endeavored to completely and accurately address Regulations in this Plan; however, following the suggestions or advice set forth in this Plan may not lead to compliance with applicable Regulations.

It is the responsibility of the Operator to retain the services of qualified legal and technical professionals to confirm (i) the completeness and accuracy of the suggestions and advice set forth in this Plan, and (ii) the applicability of such suggestions and advice to any natural gas system or emergency situation.

Link to Part 40 in its entirety: https://www.ecfr.gov/current/title-49/subtitle-A/part-40

Link to Part 199 in its entirety: https://www.ecfr.gov/current/title-49/subtitle-B/chapter-I/subchapter-D/part-199

CONTENTS

Revisions

Table 1. Plan Version History

Plan Version	Program Version	Date	By User	Notes
	5.1.1	04/23/2025	C.Peterson	Plan revised according to APGA & Federal Regulations

Table 2. SIF DA Plans 3 Version History

Program Version	Date	Notes
5.1.1	2023-06-07	"Effective June 7, 2023, the Sif Anti-Drug and Alcohol Misuse Prevention Plans have been modified to align with changes to regulatory requirements. This update was necessitated by amendments to the CFR 49 Part 40 regulations, which were implemented on June 1, 2023. Alongside these changes, it was also decided to remove the Code previously contained in the appendices, thus significantly reducing the length of the plans. To ensure comprehensive reference and facilitate thorough inspection, a direct hyperlink to the relevant federal code has been placed in the introduction to the plans. This ensures that all necessary information remains easily accessible.
3.1.1	2019-10-12	Update for 2019; Use SHRIMP 3 Code
2.1.14	2018-02-26	Update Plan Summary drug list.
2.1.13	2018-01-01	PHMSA Required Updates - 2018
2.1.12	2017-03-24	PHMSA Required Updates
2.1.11	2017-02-16	New Member Database
2.1.10	2016-12-18	Responsive Web UIX.

2.1.9	2016-06-05	Update Appd N and P
2.1.8	2016-05-21	Update Appd E
2.1.7	2015-04-14	Update Definitions, Appd G, Q per Fed Reg Chain of Custody changes of 13 Apr 2015.
2.1.6	2015-03-20	Print all appendices. Revised Questions DRUG17, 17a and related parts of Chapter 5. Edited Chapter 7 and Appendix G.
2.1.5	2014-09-01	Split Specimen Tests. Added Appendix GG. Added 4.16.
2.1.4	2014-09-01	General Corrections. Added Summary of Plan Appendix.
2.1.3	2014-07-12	General Corrections. Added Appendix FF.
2.1.2	2014-02-01	Corrections to References in 3.3, 3.4, App V
2.1.1	2013-11-01	Initial release of SIF DA with full Plan version tracking and revisions.
1.1.12	2012-04-24	All versions of SIF Drug and Alcohol prior to the incorporation of version tracking.

CHAPTER 1. DEFINITIONS

1. Alternate specimen - An authorized specimen, other than the type of specimen previously collected or attempted to be collected.

2. Accident - (§199.3) Means an incident reportable under 49 CFR Part 191 involving gas pipeline facilities or LNG facilities, or an accident reportable under 49 CFR Part 195 involving hazardous liquid pipeline facilities.

3. Administrator - (§199.3) Means the Administrator, Pipeline and Hazardous Materials Safety Administration or his/her delegate.

4. Adulterated Specimen - (§40.3) A specimen that has been altered, as evidenced by test results showing either a substance that is not a normal constituent for that type of specimen or showing an abnormal concentration of an endogenous substance.

5. Affiliate - (§40.3) Persons are affiliates of one another if, directly or indirectly, one controls or has the power to control the other or a third party controls or has the power to control both. Indicators of control include, but are not limited to: interlocking management or ownership; shared interest among family members; shared facilities or equipment; or common use of employees. Following the issuance of a public interest exclusion, an organization having the same or similar management, ownership, or principal employees as the service agent concerning whom a public interest exclusion is in effect is regarded as an affiliate.

6. Air Blank - (§40.3) In evidential breath testing devices (EBTs) using gas chromatography technology, a reading of the device's internal standard. In all other EBTs, a reading of ambient air containing no alcohol.

7. Alcohol - (§40.3) The intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohols including methyl and isopropyl alcohol.

8. Alcohol Concentration (or content) - (§40.3) The alcohol in a volume of breath expressed in terms of grams of alcohol per 210 liters of breath as indicated by an evidential breath test under this part.

9. Alcohol Confirmation Test - (§40.3) A subsequent test using an EBT, following a screening test with a result of 0.02 or greater, that provides quantitative data about the alcohol concentration.

10. Alcohol Screening Device (ASD) - (§40.3) A breath or saliva device other that an EBT, that is approved by National Highway Safety Administration (NHTSA) and appears on ODAPC's (Office of Drug and Alcohol Policy Compliance) Web page for "Approved Screening Devices to Measure Alcohol in Bodily Fluids" because it conforms to the model specifications from NHTSA.

11. Alcohol Screening Test - (§40.3) An analytic procedure to determine whether an employee may have a prohibited concentration of alcohol in a breath or saliva specimen.

12. Alcohol Testing Site - (§40.3) A place selected by the employer where employees present themselves for the purpose of providing breath or saliva for an alcohol test.

13. Alcohol Use - (§40.3) The drinking or swallowing of any beverage, liquid mixture or preparation (including any medication), containing alcohol.

14. Aliquot - (§40.3) A fractional part of a specimen used for testing. It is taken as a sample representing the whole specimen.

15. Blind Sample or Blind Performance Test Specimen - (§40.3) A specimen submitted to a laboratory for quality control testing purposes, with a fictitious identifier, so that the laboratory cannot distinguish it from an employee specimen.

16. Breath Alcohol Technician (BAT) - (§40.3) An individual who instructs and assists individuals in the alcohol testing process and operates an EBT.

17. Cancelled Test - (§40.3) A drug or alcohol test that has a problem identified that cannot be or has not been corrected, or which this part otherwise requires to be cancelled. A cancelled test is neither a positive nor a negative test.

18. Chain-of-Custody - (§40.3) The procedure used to document the handling of the urine specimen from the time the employee gives the specimen to the collector until the specimen is destroyed. This procedure uses the Federal Drug Testing Custody and Control Form (CCF) as approved by the Office of Management and Budget.

19. Collection Container - (§40.3) A container used to collect a specimen.

20. Collection Site - (§40.3) A place selected by the employer where employees present themselves for the purpose of providing a urine specimen for a drug test.

21. Collector - (§40.3) A person who instructs and assists employees at a collection site, who receives and makes an initial inspection of the specimen provided by those employees, and who initiates and completes the CCF.

22. Commercial Driver's License Drug and Alcohol Clearinghouse (Clearinghouse). A database, administered by the Federal Motor Carrier Safety Administration, containing records of commercial motor vehicle drivers' violations of controlled substances and alcohol testing program requirements, as set forth in part 382 of this title, as well as their return-to-duty status.

23. Confirmation (or Confirmatory) Drug Test - (§40.3) A second analytical procedure performed on a different aliquot of the original specimen to identify and quantify a specific drug or drug metabolite. Confirmed Drug Test - (§40.3) A confirmation test result received by an MRO from a laboratory.

24. Consortium/Third Party Administrator (C/TPA) - (§40.3) A service agent that provides or coordinates the provision of a variety of drug and alcohol testing services to employers. C/TPAs typically perform administrative tasks concerning the operation of the employers' drug and alcohol testing programs. This term includes, but is not limited to, groups of employers who join together to administer, as a single entity, the DOT drug and alcohol testing programs of its members. C/TPAs are not "employers" for the purposes of Part 40 & Part 382.

25. Continuing Education - (§40.3) Training for medical review officers (MROs) and substance abuse professionals (SAPs) who have completed qualification training and are performing MRO or SAP functions, designed to keep MROs and SAPs current on changes and developments in the DOT drug and alcohol testing program.

26. Contractor - Means a person or entity which provides goods or services to another entity under terms specified in a contract.

27. Covered Employee, Employee, or Individual to be Tested - (§199.3) Means a person who performs a covered function, including person employed by operators, contractors engaged by operators and persons employed by such contractors.

28. Covered Function (Safety Sensitive Functions) - (§199.3) Means an operations, maintenance, or emergency-response function regulated by Part 192, 193, or 195 that is performed on a pipeline or an LNG facility.

29. Cutoff - The analytical value (e.g., drug or drug metabolite concentration) used as the decision point to determine a result (e.g., negative, positive, adulterated, invalid, or substituted) or the need for further testing.

30. Designated Employer Representative (DER) - (§40.3) An employee authorized by the employer to take immediate action(s) to remove employees from safety-sensitive duties, or cause employees to be removed from these covered duties, and to make required decisions in the testing and evaluation processes. The DER also receives test results and other communications for the employer, consistent with the requirements of this part. Service agents cannot act as DERs.

31. DOT - (§40.3) These terms encompass all DOT agencies, including, but not limited to, the Federal Aviation Administration (FAA), the Federal Railroad Administration (FRA), the Federal Motor Carrier Safety Administration (FMCSA), the Federal Transit Administration (FTA), the National Highway Traffic Safety Administration (NHTSA), the Pipeline and Hazardous Materials Safety Administration (PHMSA), and the Office of the Secretary (OST). For purposes of this part, the United States Coast Guard (USCG), in the Department of Homeland Security, is considered to be a DOT agency for drug testing purposes only since the USCG regulation does not incorporate Part 40 for its alcohol testing program. These terms include any designee of a DOT agency.

32. D.O.T. Procedures - (§199.3) Means the procedures for Transportation Workplace Drug and Alcohol Testing Programs published by the Office of the Secretary of Transportation in Part 40 of this title.

33. Drugs - (§40.3) The drugs for which tests are required under this part and DOT agency regulations are marijuana, cocaine, amphetamines, phencyclidine (PCP), and opioids.

34. Employee - (§40.3) Any person who is designated in a DOT agency regulation as subject to drug testing and/or alcohol testing. The term includes individuals currently performing safety-sensitive functions designated in DOT agency regulations and applicants for employment subject to pre-employment testing. For purposes of drug testing under this part, the term employee has the same meaning as the term "donor" as found on CCF and related guidance materials produced by the Department of Health and Human Services.

35. Employer - (§40.3) A person or entity employing one or more employees (including an individual who is self-employed) subject to DOT agency regulations requiring compliance with this part. The term includes an employer's officers, representatives, and management personnel. Service agents are not employers for the purposes of this part. See Appendix A, *Anti-Drug Positions Subject-to-Testing* for the name of the Employer responsible for the implementation of this plan.

36. Error Correction Training - (§40.3) Training provided to BATs, collectors, and screening test technicians (STTs) following an error that resulted in the cancellation of a drug or alcohol test. Error correction training must be provided in person or by means that provides real-time observation and interaction between the instructor and the trainee.

37. Evidential Breath Testing Device (EBT) - (§40.3) A device that is approved by the National Highway Traffic Safety Administration (NHTSA) for the evidential testing of breath at the .02 and .04 alcohol concentrations and appears on ODAPC's (Office of Drug and Alcohol Policy Compliance) Web page for "Approved Evidential Breath Measurement Devices" because it conforms with the model specifications available form NHTSA.

38. Fail a Drug Test - (§199.3) Means that the confirmation test result shows the positive evidence of the presence under DOT procedures of a prohibited drug in an employee's system.

39. Hazardous Gas means natural gas, flammable gas or gas which is toxic or corrosive.

40. HHS - (§40.3) The Department of Health and Human Services or any designee of the Secretary, Department of Health and Human Services.

41. Incident means any of the following events:

    (1) An event that involves a release of gas from a pipeline, gas from an underground natural gas storage facility (UNGSF), liquefied natural gas, liquefied petroleum gas, refrigerant gas, or gas from an LNG facility, and that results in one or more of the following consequences:

        (i) A death, or personal injury necessitating in-patient hospitalization.

        (ii) Estimated property damage of $122,000 or more.

    (Note: In accordance with appendix A the incident amount is currently $129,300), including loss to the operator and others, or both, but excluding the cost of gas lost. For adjustments for inflation observed in calendar year 2021 onwards, changes to the reporting threshold will be posted on PHMSA's website. These changes will be determined in accordance with the procedures in appendix A to part 191.

        (iii) Unintentional estimated gas loss of three million cubic feet or more.

    (2) An event that results in an emergency shutdown of an LNG facility or a UNGSF. Activation of an emergency shutdown system for reasons other than an actual emergency within the facility does not constitute an incident.
    (3) An event that is significant in the judgment of the operator, even though it did not meet the criteria of paragraph (1) or (2) of this definition.

42. Initial Drug Test (§40.3) The first test used to differentiate a negative specimen from one that requires further testing for drugs or drug metabolites.

43. Initial Specimen Validity Test - (§40.3) The first test used to determine if a specimen is adulterated, diluted, substituted, or invalid.

44. Invalid Result - (§40.3) The result reported by a laboratory for an HHS-certified in accordance with the criteria established by HHS when a positive, negative, adulterated, or substituted result cannot

be established for a specific drug or specimen validity test Laboratory - (§40.3) Any U.S. laboratory certified by HHS under the National Laboratory Certification Program as meeting the minimum standards set by HSS; or, in the case of foreign laboratories, a laboratory approved for participation by DOT under this part.

45. Limit of Detection (LOD) - (§40.3) The lowest concentration at which the analyte (e.g., drug or drug metabolite) can be identified.

46. Limit of Quantitation - (§40.3) (LOQ). For quantitative assays, the lowest concentration at which the identity and concentration of the analyte (e.g., drug or drug metabolite) can be accurately established. Medical Review Officer (MRO) - (§40.3) A person who is a licensed physician and who is responsible for receiving and reviewing laboratory results generated by an employer's drug testing program and evaluating medical explanations for certain drug test results.

47. Negative result - (§40.3) The result reported by an HHS-certified laboratory to an MRO when a specimen contains no drug or the concentration of the drug is less than the cutoff concentration for the drug or drug class and the specimen is a valid specimen.

48. NTSB - Means the National Transportation Safety Board

49. Non-Negative Specimen - (§40.3) A specimen that is reported as adulterated, substituted, positive (for drug(s) or drug metabolite(s)), and/or invalid.

50. Office of Drug and Alcohol Policy and Compliance (ODAPC) - (§40.3) The office in the Office of the Secretary, DOT, that is responsible for coordinating drug and alcohol testing program matters within the Department and providing information concerning the implementation of this part.

51. Operator - (§199.3) Means a person who owns or operates pipeline facilities subject to Part 192, 193, or 195 of this chapter.

52. Oral fluid specimen - A specimen that is collected from an employee's oral cavity and is a combination of physiological fluids produced primarily by the salivary glands. An oral fluid specimen is considered to be a direct observation collection for all purposes of this part.

53. Oxidizing Adulterant - (§40.3) A substance that acts alone or in combination with other substances to oxidize drugs or drug metabolites to prevent the detection of the drug or drug metabolites, or affects the reagents in either the initial or confirmatory drug test.

54. Pass a Drug Test - (§199.3) Means that the initial testing or confirmation testing under DOT procedures does not show evidence of the presence of a prohibited drug in an employee's system.

55. PHMSA - (§190.3) Means the Pipeline and Hazardous Materials Safety Administration of the United States Department of Transportation.

56. Pipeline Facility - (§192.3) Means new and existing pipelines, rights of way, and any equipment, facility or building used in the transportation of gas or in the treatment of gas during the course of transportation.

57. Performs a Covered Function - (§199.3) Includes actually performing, ready to perform, or immediately available to perform a covered function.

58. Positive Rate for Random Drug Testing - (§199.3) The number of verified positive results for random drug tests conducted under this part plus the number of refusals of random drug tests required by this part, divided by the total number of random drug tests results (i.e., positives, negatives, and refusals) under this part.

59. Positive result - (§40.3) The result reported by an HHS-certified laboratory when a specimen contains a drug or drug metabolite equal to or greater than the cutoff concentration.

60. Primary Specimen - (§40.3) In drug testing, the urine specimen bottle that is opened and tested by a first laboratory to determine whether the employee has a drug or drug metabolite in his or her system; and for the purpose of specimen validity testing. The primary specimen is the portion of the donor's subdivided specimen designated as the primary ("A") specimen by the collector to distinguish it from the split ("A") specimen, defined in this section.

61. Prohibited Drug - Means any of the drugs specified in 49 CFR part 40.

62. Qualification Training - (§40.3) The training required in order for a collector, BAT, MRO, SAP, or STT to be qualified to perform their functions in the DOT drug and alcohol testing program. Qualification training may be provided by any appropriate means (e.g., classroom instruction, internet application, CD-ROM, video).

63. Reconfirmed - (§40.3) The result reported for a split (Bottle B) specimen when the second HHS-certified laboratory corroborates the original result reported for the primary (Bottle A) specimen.

64. Refresher Training - (§40.3) The training required periodically for qualified collectors, BATs, and STTs to review basic requirements and provide instruction concerning changes in technology (e.g., new testing methods that may be authorized) and amendments, interpretations, guidance, and issues concerning this part and DOT agency drug and alcohol testing regulations. Refresher training can be provided by any appropriate means (e.g., classroom instruction, internet application, CD-ROM, video).

65. Refuse to Submit, Refuse, or Refuse to Take - (§199.3) Means behavior consistent with DOT procedures concerning refusal to take a drug test or refusal to take an alcohol test.

66. Rejected for testing - (§40.3) The result reported by an HHS-certified laboratory when no tests are performed for a specimen because of a fatal flaw or a correctable flaw that is not corrected.

67. Screen Test Technician (STT) - (§40.3) A person who instructs and assists employees in the alcohol testing process and operates an ASD.

68. Secretary - (§40.3) The Secretary of Transportation or the Secretary's designee.

69. Service Agent - (§40.3) Any person or entity, other than an employee of the employer, who provides services specified under this part to employers and/or employees in connection with DOT drug and alcohol testing requirements. This includes, but is not limited to, collectors, BATs and STTs, laboratories, MROs, substance abuse professionals, and C/TPAs. To act as service agents, persons and organizations will meet the qualifications set forth in applicable sections of this part. Service agents are not employers for purposes of this part.

70. Shipping Container - (§40.3) A container that is used for transporting and protecting specimen bottles and associated documents from the collection site to the laboratory.

71. Specimen - Fluid, breath, or other material collected from an employee at the collection site for the purpose of a drug or alcohol test.

72. Specimen Bottle - (§40.3) The bottle that, after being sealed and labeled according to the procedures in this part, is used to hold the urine specimen during transportation to the laboratory.

73. Split Specimen - (§40.3) In drug testing, the specimen that is sent to a first laboratory and, stored with its original seal intact, and which is transported to a second laboratory for retesting at the employee's requests following MRO verification of the primary specimen as positive, or a verified adulterated or substituted.

74. Split Specimen collection - (§40.3) A collection in which the since specimen collected is divided into two separate specimen bottles, the primary specimen (Bottle A) and the split specimen (Bottle B).

75. SSN or Employee ID No. - This number serves as a unique identifier that must be used on the Federal Drug Testing Custody and Control Form (CCF) or Alcohol Testing Form (ATF) for a donor, on the MRO's reports, on SAP reports, or on other documents that are required under this part. For all purposes of this part, this term means: only the Commercial Driver's License (CDL) Number and State of issuance for drivers tested under the authority of the Federal Motor Carrier Safety Administration (FMCSA); and, for all drivers and other safety-sensitive employees tested under the authority of the other DOT agencies, this can be the individual's actual Social Security Number, a unique identifier issued by the employer, a State-issued identification card number, a State- issued driver's license number (including a CDL number) or any other State-issued or federally-issued identification number.

76. Stand-Down - (§40.3) The practice of temporarily removing an employee from the performance of safety-sensitive functions based only on a report from a laboratory to the MRO of a confirmed positive test for a drug or drug metabolite, an adulterated test, or a substituted test, before the MRO has completed verification of the test result.

77. State Agency - (§199.3) Means an agency of any of the several states, the District of Columbia, or Puerto Rico that participates under the pipeline safety laws (49 U.S.C. 60101 et seq.).

78. Substance Abuse Professional (SAP) - (§40.3) A person who evaluates employees who have violated a DOT drug and alcohol regulation and makes recommendations concerning education, treatment, follow-up testing, and aftercare. The Substance Abuse Professional will have knowledge of and clinical experience in the diagnosis and treatment of alcohol-related disorders and will be:

    78.a. A licensed physician (Medical Doctor or Doctor of Osteopathy); or

    78.b. A licensed or certified Psychologist; or

    78.c. A licensed or certified social worker

    78.d. A licensed or certified Employee Assistance Professional; or

    78.e. A drug and alcohol Counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission)

    78.f. A state-licensed or certified marriage and family therapist

79. Substituted Specimen - (§40.3) An employee's specimen not consistent with a normal human specimen, as determined by HHS (e.g., a urine specimen, with creatinine and specific gravity values that are so diminished, or so divergent that they are not consistent with normal human urine).

80. Verified Test - (§40.3) A drug test result or validity testing result from an HHS-certified laboratory that has undergone review and final determination by the MRO.

81. Undiluted (neat) oral fluid - An oral fluid specimen to which no other solid or liquid has been added. For example: A collection device that uses a diluent (or other component, process, or method that modifies the volume of the testable specimen) must collect at least 1 mL of undiluted (neat) oral fluid.

82. Urine specimen - Urine collected from an employee at the collection site for the purpose of a drug test.

CHAPTER 2. CONTACT INFORMATION

Table 2.1. Breath Alcohol Technician

Name	**Minnesota Occupational Health**
Street Address	600 Coon Rapids Blvd NW
City	Coon Rapids
County	Anoka
State	Minnesota
Zip	55433
Phone	651-968-5300
Email	
Comments	

Table 2.2. Certified Laboratory

Name	
Company	LabCorp
Street Address	1904 T.W. Alexander Dr
City	Research Triangle Park
County	
State	North Carolina
Zip	22709
Phone	1-800-845-6167
Comments	

Table 2.3. Collection Site

Name	**Minnesota Occupational Health**
Street Address	600 Coon Rapids Blvd NW
City	Coon Rapids
County	Anoka
State	Minnesota
Zip	55433
Phone	651-968-5300

Email	
Comments	

Table 2.4. Designated Employer Representative

Name	**Patrick Antonen**
Street Address	200 Civic Heights Circle
City	Circle Pines
County	Anoka
State	Minnesota
Zip	55014
Phone	763-784-5898
Email	pantonen@ci.circle-pines.mn.us
Comments	

Table 2.5. Employee Assistance Program Services

Name	**Health Partners EAP**
Company	Health Partners
Street Address	
City	
County	
State	
Zip	
Phone	1-866-326-7194
Email	
Comments	Balancy mobile app-passcode is 111032

Table 2.6. Headquarters

Street Address	**200 Civic Heights Circle**
City	Circle Pines
County	Anoka
State	Minnesota
Zip	55014

Table 2.7. Medical Review Officer

Name	**D.R.S. – Dr. Neil J. Dash**
Street Address	546 Franklin Ave
City	Massapequa
County	
State	New York
Zip	11758
Phone	1-800-526-9341
Email	drs@drsmro.com
Comments	

Table 2.8. Office

Street Address	**200 Civic Heights Circle**
City	Circle Pines
County	Anoka
State	Minnesota
Zip	55014

Table 2.9. Screen Test Technician

Name	**Minnesota Occupational Health**
Street Address	600 Coon Rapids Blvd
City	Coon Rapids
County	Anoka
State	Minnesota
Zip	55433
Phone	651-968-5300
Email	
Comments	Note: This is a sample STT

Table 2.10. Substance Abuse Professional

Name	**Alyce Hastings, LPC**
Company	Hastings Counseling Services

Street Address	1330 Concord Rd. SE
City	Smyrna
County	Cobb
State	Georgia
Zip	30080
Phone	404-374-0704
Comments	This is a valid SAP, and has been added to this **Centennial Utilities/City of Circle Pines** as an example only and was located by performing an internet search for DOT - SAPs

Table 2.11. Name and Manufacturer of Random Number Generator

Name	
Company	TestChecks PRO
Street Address	
City	
County	
State	
Zip	
Phone	
Comments	This is software that Total Compliance Solutions uses. I do not have an address or phone number.

CHAPTER 3. INTRODUCTION TO ANTI-DRUG PLAN

The purpose of this Plan is to help prevent accidents and injuries resulting from the use of prohibited drugs by employees who perform covered functions subject to 49 CFR Part 192, 193 and 195. This plan conforms to Part 199 and Part 40.

3.1. Employer Responsibilities

1. **Centennial Utilities/City of Circle Pines** is responsible for meeting all applicable requirements and procedures of 49 CFR Parts 199 and Part 40.

   1.a. **Centennial Utilities/City of Circle Pines** is responsible for all actions of its officials, representatives, and agents (including service agents) in carrying out the requirements of the DOT agency regulations.

   1.b. **Centennial Utilities/City of Circle Pines** is responsible for all agreements and arrangements, written or unwritten, between and among **Centennial Utilities/City of Circle Pines** and service agents concerning the implementation of DOT drug and alcohol testing requirements are deemed, as a matter of law, to require compliance with all applicable provisions of Part 40 and DOT agency drug and alcohol testing regulations. Compliance with these provisions is a material term of all such agreements and arrangements.

2. **Centennial Utilities/City of Circle Pines** may use a service agent to perform the tasks needed to comply with this part and DOT agency drug and alcohol testing regulations, consistent with the requirements of Subpart Q and other applicable provisions of this part.

3. **Centennial Utilities/City of Circle Pines** is responsible for ensuring that the service agents meet the qualifications set forth in this part (e.g., §40.121 for MROs). **Centennial Utilities/City of Circle Pines** may require service agents to show documentation that they meet the requirements of this part (e.g., documentation of MRO qualifications required by §40.121(e)). Qualification for service agents are found in *Substance Abuse Professionals and the Return to Duty Process (Subpart O)*, *Urine Collection Personnel (Subpart C)* and *Medical Review Officers and the Verification Process (Subpart G)*.

   NOTE: The compliance verification process for service agent qualification is included in Appendix K, *Operator Company Policies*.

4. **Centennial Utilities/City of Circle Pines** remains responsible for compliance with all applicable requirements of this part and other DOT drug and alcohol testing regulations, even when using a service agent. If this part or other DOT drug and alcohol testing regulations are violated because a service agent has not provided services as required, sanctions may be imposed by the applicable DOT agency. A good faith use of a service agent is not a defense in an enforcement action initiated by a DOT agency in which alleged noncompliance with this part, or a DOT agency drug and alcohol regulation may have resulted from the service agent's conduct.

5. **Centennial Utilities/City of Circle Pines** will not permit a service agent to act as the DER.

3.2. MANAGEMENT INFORMATION SYSTEM (MIS) DATA

Centennial Utilities/City of Circle Pines will use the form and instructions in Appendix J of Part 40.

Centennial Utilities/City of Circle Pines will submit the MIS report in accordance with rule requirements (e.g., dates for submission; selection of companies required to submit, and method of reporting) as established by the DOT and outlined below.

Centennial Utilities/City of Circle Pines has 50 or less covered employees and has either a compilation of data or statistical information regarding drug and alcohol testing which, upon written request, can be used to submit a MIS report in accordance with the form and instruction requirements of §40.26 and Appendix H of Part 40; not later than March 15 of each year for the prior calendar year (January 1 through December 31). **Centennial Utilities/City of Circle Pines** has identified all contractors who perform covered functions, as defined in this plan, in a given calendar year; and, if required by either mandated annual or PHMSA written request, will or has submitted an MIS report for each of these contractors.

3.3. PREEMPTION OF STATE AND LOCAL LAWS

1. Except as provided in paragraph (1.d) of this section, this plan preempts any State or local law, rule, regulation, or order to the extent that:

   1.a. Compliance with both the State or local requirement and this part is not possible.

   1.b. Compliance with the State or local requirement is an obstacle to the accomplishment and execution of any requirement in this part; or

   1.c. The State or local requirement is a pipeline safety standard applicable to interstate pipeline facilities.

   1.d. This plan will not be construed to preempt provisions of State criminal law that impose sanctions for reckless conduct leading to actual loss of life, injury, or damage to property, whether the provisions apply specifically to transportation employees or employers or to the general public.

3.4. DOT DRUG AND ALCOHOL TESTS IN RELATION TO NON-DOT TESTS

1. DOT tests will be completely separate from non-DOT tests in all respects.

   1.a. DOT tests will take priority and will be conducted and completed before a non-DOT test is begun. All excess urine left over from a DOT test must be discarded and a separate void for the subsequent non-DOT test must then be taken.

   1.b. Except as provided in paragraph 1.c of this section, **Centennial Utilities/City of Circle Pines** will not perform any tests on DOT urine or breathe specimens other than those specifically authorized by this part or DOT agency regulations. DOT urine specimens may not be tested for additional drugs, and a laboratory is prohibited from making a DOT urine specimen available for a DNA test or other types of specimen identity testing.

1.c. The single exception to paragraph 1.b of this section is when a DOT drug test collection is conducted as part of a physical examination required by DOT agency regulations. It is permissible to conduct required medical tests related to this physical examination (e.g., for glucose) on any urine remaining in the collection container after the drug test urine specimens have been sealed into the specimen bottles.

1.d. No one is permitted to change or disregard the results of DOT tests based on the results of non-DOT tests. **Centennial Utilities/City of Circle Pines** will not disregard a verified positive DOT drug test result because the employee presents a negative test result from a blood or urine specimen collected by the employee's physician or a DNA test result purporting to question the identity of the DOT specimen.

1.e. **Centennial Utilities/City of Circle Pines** will not use the CCF or the ATF in **Centennial Utilities/City of Circle Pines**'s non-DOT drug and alcohol testing programs. This prohibition includes the use of the DOT forms with references to DOT programs and agencies crossed out. **Centennial Utilities/City of Circle Pines** also will always use the CCF and ATF for all DOT-mandated drug and alcohol tests.

3.5. Consent Or Release Requirement

1. **Centennial Utilities/City of Circle Pines** will not require an employee to sign a consent, release, waiver of liability, or indemnification agreement with respect to any part of the drug or alcohol testing process covered by this plan, however, the employee will be required to sign an acknowledgement form stating that they have been made aware of the Anti-Drug plan and acknowledge that they have read and understand that they are subject to the requirements of this plan.

3.6. General Confidentiality Rule

1. **Centennial Utilities/City of Circle Pines** is prohibited from releasing individual test results or medical information about an employee to third parties without the employee's specific written consent.

2. A "third party" is any person or organization to whom other subparts of this regulation do not explicitly authorize or require the transmission of information in the course of the drug or alcohol testing process.

3. "Specific written consent" means a statement signed by the employee that he or she agrees to the release of a particular piece of information to a particular, explicitly identified, person or organization at a particular time. "Blanket releases," in which an employee agrees to a release of a category of information (e.g., all test results) or to release information to a category of parties (e.g., other employers who are members of a C/TPA, companies to which the employee may apply for employment), are prohibited under this part.

3.7. Public Interest Exclusion (PIE)

1. **Centennial Utilities/City of Circle Pines** is deemed to have notice of the issuance of a PIE when it appears on the list mentioned in *Public Interest Exclusions (Subpart R)* §40.401(a) or the notice of the PIE appears in the Federal Register as provided in, *Public Interest Exclusions (Subpart R)*

§40.401(d). **Centennial Utilities/City of Circle Pines** will check this List to ensure that any service agents you are using or planning to use are not subject to a PIE.

2. If **Centennial Utilities/City of Circle Pines** is using a service agent concerning whom a PIE is issued, **Centennial Utilities/City of Circle Pines** will stop using the services of the service agent no later than 90 days after the Department has published the decision in the Federal Register or posted it on its web site. An application may be made to the ODAPC Director for an extension of 30 days if it can be demonstrated that a substitute service agent cannot be found within 90 days.

3. Except during the period provided in paragraph (2) of this section, **Centennial Utilities/City of Circle Pines** will not, use the services of a service agent that are covered by a PIE that the Director has issued under this subpart or this may result in a violation of the Department's regulations and subject to applicable DOT agency sanctions (e.g., civil penalties, withholding of Federal financial assistance).

4. **Centennial Utilities/City of Circle Pines** will not obtain drug or alcohol testing services through a contractor or affiliate of the service agent to whom the PIE applies.

5. This section's prohibition on using the services of a service agent concerning which the Director has issued a PIE applies to employers in all industries subject to DOT drug and alcohol testing regulations.

6. The issuance of a PIE does not result in the cancellation of drug or alcohol tests conducted using the service agent involved before the issuance of the Director's decision or up to 90 days following its publication in the Federal Register or posting on the Department's web site, unless otherwise specified in the Director's PIE decision or the Director grants an extension as provided in paragraph (2) of this section.

3.8. Release Of Drug Test Information

LEGAL PROCEEDINGS

1. **Centennial Utilities/City of Circle Pines** may release information pertaining to an employee's drug or alcohol test without the employee's consent in certain legal proceedings.

   1.a. These proceedings include a lawsuit (e.g., a wrongful discharge action), grievance (e.g., an arbitration concerning disciplinary action taken by the employer), or administrative proceeding (e.g., an unemployment compensation hearing) brought by, or on behalf of, an employee and resulting from a positive DOT drug or alcohol test or a refusal to test (including, but not limited to, adulterated or substituted test results).

   1.b. These proceedings also include a criminal or civil action resulting from an employee's performance of safety-sensitive duties, in which a court of competent jurisdiction determines that the drug or alcohol test information sought is relevant to the case and issues an order directing the employer to produce the information. For example, in personal injury litigation following a truck or bus collision, the court could determine that a post-accident drug test result of an employee is relevant to determining whether the driver or the driver's employer was negligent. The employer is authorized to respond to the court's order to produce the records.

2. In such a proceeding, **Centennial Utilities/City of Circle Pines** may release the information to the decision maker in the proceeding (e.g., the court in a lawsuit). **Centennial Utilities/City of Circle**

Pines may release the information only with a binding stipulation that the decision maker to whom it is released will make it available only to parties to the proceeding.

3. The DER for **Centennial Utilities/City of Circle Pines**, will immediately notify the employee in writing of any information **Centennial Utilities/City of Circle Pines** releases under this section.

3.9. Release Of Information To Additional Parties

Centennial Utilities/City of Circle Pines will release information under the following circumstances:

1. If **Centennial Utilities/City of Circle Pines** receives specific, written consent from an employee authorizing the release of information about that employee's drug or alcohol tests to an identified person, **Centennial Utilities/City of Circle Pines** will provide the information to the identified person.

2. **Centennial Utilities/City of Circle Pines** will, upon request of DOT agency representatives, provide the following:

   2.a. Access to **Centennial Utilities/City of Circle Pines** facilities used for Part 40 and DOT agency drug and alcohol program functions.

   2.b. All written, printed, and computer-based drug and alcohol program records and reports (including copies of name-specific records or reports), files, materials, data, documents/documentation, agreements, contracts, policies, and statements that are required by this part and DOT agency regulations. **Centennial Utilities/City of Circle Pines** will provide this information at its principal place of business in the time required by the DOT agency.

   2.c. All items in paragraph (2.2.b) of this section will be easily accessible, legible, and provided in an organized manner. If electronic records do not meet these standards, they must be converted to printed documentation that meets these standards.

3. If requested by the National Transportation Safety Board as part of an accident investigation, **Centennial Utilities/City of Circle Pines** will provide information concerning post-accident tests administered after the accident. See Appendix B, *Anti-Drug Post-Accident Guidance Material* and Appendix C, *Post Accident Testing Determination Checklist*.

4. If requested by a Federal, state or local safety agency with regulatory authority over **Centennial Utilities/City of Circle Pines** or the employee, **Centennial Utilities/City of Circle Pines** will provide drug and alcohol test records concerning the employee.

5. Except as otherwise provided in this part, as a laboratory you must not release or provide a specimen or a part of a specimen to a requesting part, without first obtaining written consent from ODAPC. DNA testing and other types of identity testing are not authorized and ODAPC will not give permission for such testing. If a party seeks a court order directing you to release a specimen or part of a specimen contrary to any provision of this part, you must take necessary legal steps to contest the issuance of the order (e.g., seek to squash a subpoena, citing the requirements of §40.13). This part does not require you to disobey a court order, however.

3.10. Release Of Medical Information Gathered In The Verification Process

1. The MRO, except as provided in paragraph (3) of this section, report drug test results and medical information you learned as part of the verification process to third parties without the employee's consent if determined, in the MRO's reasonable medical judgment, that:

   1.a. The information is likely to result in the employee being determined to be medically unqualified under an applicable DOT agency regulation; or

   1.b. The information indicates that continued performance by the employee of his or her safety-sensitive function is likely to pose a significant safety risk.

2. The third parties to whom **Centennial Utilities/City of Circle Pines** are authorized to provide information by this section include the employer, a physician or other health care provider responsible for determining the medical qualifications of the employee under an applicable DOT agency safety regulation, an SAP evaluating the employee as part of the return to duty process (see , *Substance Abuse Professionals and the Return to Duty Process (Subpart O)*), a DOT agency, or the National Transportation Safety Board in the course of an accident investigation.

3. The MRO must not report such medical information using the CCF. Instead, the MRO must provide the information in a separate written communication (e.g., letter, secure email). The information must state the specific nature of the MRO's safety concern (e.g., the effects of a medication the employee is taking, the employee's underlying medical condition that the employee disclosed to the MRO).

4. If the law of a foreign country (e.g., Canada) prohibits **Centennial Utilities/City of Circle Pines**, as the MRO, from providing medical information to the employer, the MRO may comply with that prohibition. See Appendix G, *Release of Information Form* for releasing information to employees §40.329.

3.11. Review Of Drug Testing Results

Centennial Utilities/City of Circle Pines will ensure that the drug testing results and associated responsibilities and functions of the Medical Review Officer (MRO) meet the applicable requirements of Part 40 and Part 199 referenced in , *Medical Review Officers and the Verification Process (Subpart G)*.

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A Medical Review Officer (MRO) is responsible for ensuring the accuracy, integrity, and confidentiality of the drug testing process. Key duties include acting as an impartial gatekeeper, reviewing Custody and Control Forms (CCFs) for errors that may warrant test cancellations, determining legitimate medical explanations for certain test results, and addressing performance issues with stakeholders. The MRO must not establish a doctor-patient relationship, must report unresolved problems to appropriate authorities, ensure timely communication of test results to employers, and comply with all applicable DOT regulations.

MRO appointment.

Centennial Utilities/City of Circle Pines may contract for the provision of MRO services as part of its anti-drug program.

MRO qualifications.

Each MRO will be a licensed physician who has the qualifications required by DOT Procedures. See *Medical Review Officers and the Verification Process (Subpart G)* for Qualification Requirements.

MRO duties.

The MRO will perform functions for **Centennial Utilities/City of Circle Pines** as required by DOT Procedures.

MRO reports.

The MRO will report all drug test results to the **Centennial Utilities/City of Circle Pines** in accordance with DOT Procedures.

1. Evaluation and rehabilitation may be provided by **Centennial Utilities/City of Circle Pines**, by a substance abuse professional under contract with **Centennial Utilities/City of Circle Pines**, or by a substance abuse professional not affiliated with **Centennial Utilities/City of Circle Pines**. The choice of substance abuse professional and assignment of costs will be made in accordance with **Centennial Utilities/City of Circle Pines**/employee agreements and **Centennial Utilities/City of Circle Pines**/employee policies. See *Substance Abuse Professionals and the Return to Duty Process (Subpart O)* for Qualification Requirements.

2. **Centennial Utilities/City of Circle Pines** will ensure that a substance abuse professional, who determines that a covered employee requires assistance in resolving problems with drug abuse, does not refer the covered employee to the substance abuse professional's private practice or to a person or organization from which the substance abuse professional receives remuneration or in which the substance abuse professional has a financial interest. This paragraph does not prohibit a substance abuse professional from referring a covered employee for assistance provided through:

   2.a. Public agency, such as a State, county, or municipality.

   2.b. **Centennial Utilities/City of Circle Pines** or a person under contract to provide treatment for drug problems on behalf of **Centennial Utilities/City of Circle Pines**.

   2.c. The sole source of therapeutically appropriate treatment under the employee's health insurance program; or

   2.d. The sole source of therapeutically appropriate treatment reasonably accessible to the employee.

3.12. Procedure For Notifying Employees:

This Anti-Drug plan will be:

In a separate manual and will be made available and accessible to all "Covered Employees."

The Plan will be made available and accessible to all "Covered Employees" by the following method or methods selected below:

By providing each "Covered Employee" with a copy of the Anti-Drug plan; and/or,

If the entire plan is not provided to employees, then the summarized version (Appendix O *Anti-Drug and Alcohol Misuse Prevention Plan (Summarized Version)*) will indicate where a complete copy of **Centennial Utilities/City of Circle Pines**'s anti-drug plan is available for review by the employees.

3.13. Drug Testing Laboratories:

Centennial Utilities/City of Circle Pines will ensure the drug testing laboratories meet the applicable requirements of Part 40 and Part 199 referenced in *Drug Testing Laboratories (Subpart F)*.

CHAPTER 4. DRUG TESTING

Prohibited drug: means any of the drugs specified in 49 CFR 40. Reference *Drug Testing Laboratories (Subpart F)*, §40.85.

4.1. Drug Tests Required

Pre-Employment Testing

Centennial Utilities/City of Circle Pines will conduct the following drug tests for the presence of a prohibited drug:

1. **Centennial Utilities/City of Circle Pines** may not hire or contract for the use of any person as an employee unless that person passes a drug test or is covered by an anti-drug program that conforms to the requirements of 49 CFR Part 199 and Part 40.

2. **Centennial Utilities/City of Circle Pines** may not use any contractor or contractor employee unless that person passes a drug test or is covered by an anti-drug program that conforms to the requirements of 49 CFR Part 199 and Part 40.

3. Employees who are promoted or transferred from a non-covered to a covered position shall be pre-employment tested.

Post-Accident Testing

1. As soon as possible but no later than 32 hours after an accident, an operator must drug test each surviving covered employee whose performance of a covered function either contributed to the accident or cannot be completely discounted as a contributing factor to the accident. An operator may decide not to test under this paragraph but such a decision must be based on specific information that the covered employee's performance had no role in the cause(s) or severity of the accident.

2. If a test required by this section is not administered within the 32 hours following the accident, the operator must prepare and maintain its decision stating the reasons why the test was not promptly administered. If a test required by paragraph (1) of this section is not administered within 32 hours following the accident, the operator must cease attempts to administer a drug test and must state in the record the reasons for not administering the test.

Random Testing

Except as provided in paragraphs 2 through 3 of this section, the minimum annual percentage rate for random drug testing will be 50 percent of covered employees. See , *Current Random Testing Rates*.

1. The Administrator's decision to increase or decrease the minimum annual percentage rate for random drug testing is based on the reported positive rate for the entire industry. All information used for this determination is drawn from the drug MIS reports required by this subpart. In order to ensure reliability of the data, the Administrator considers the quality and completeness of the reported data, may obtain additional information or reports from **Centennial Utilities/City of Circle Pines**, and may make appropriate modifications in calculating the industry positive rate. Each year, the Administrator will publish in the Federal Register the minimum annual percentage rate for

random drug testing of covered employees. The new minimum annual percentage rate for random drug testing will be applicable starting January 1 of the calendar year following publication.

2. When the minimum annual percentage rate for random drug testing is 50 percent, the Administrator may lower this rate to 25 percent of all covered employees if the Administrator determines that the data received under the reporting requirements of §199.119 for two consecutive calendar years indicate that the reported positive rate is less than 1.0 percent. See , *Current Random Testing Rates* for determining the minimum annual percentage rate for Random Testing.

3. When the minimum annual percentage rate for random drug testing is 25 percent, and the data received under the reporting requirements of §199.119 for any calendar year indicate that the reported positive rate is equal to or greater than 1.0 percent, the Administrator will increase the minimum annual percentage rate for random drug testing to 50 percent of all covered employees.

4. The selection of employees for random drug testing will be made by one of the following scientifically valid methods noted below:

   Computer-based random number generator: Name of Generator:

   Random number table: Name of Table:

   that is matched with employees' payroll identification numbers.

Under the selection process used, each covered employee will have an equal chance of being tested each time selections are made.

Centennial Utilities/City of Circle Pines will randomly select a sufficient number of covered employees for testing during each calendar year to equal an annual rate not less the minimum annual percentage rate for random drug testing determined by the Administrator. If **Centennial Utilities/City of Circle Pines** conducts random drug testing through a consortium, the number of employees to be tested may be calculated for each individual operator or may be based on the total number of covered employees covered by the consortium who are subject to random drug testing at the same minimum annual percentage rate under this section or any DOT drug testing rule.

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Centennial Utilities/City of Circle Pines uses Total Compliance Solutions as the consortium.
Total Compliance Solutions – Robbinsdale
4080 W Broadway Ave,
Ste 116B
Robbinsdale MN 55422
Phone 320-455-9300
Fax 320-455-9299

Centennial Utilities/City of Circle Pines will ensure that random drug tests conducted under this plan are unannounced and that the dates for administering random tests are spread reasonably throughout the calendar year, as outlined below:

Random drug tests will be performed:

- Quarterly (recommended Best Practices

If a given covered employee is subject to random drug testing under the drug testing rules of more than one DOT agency for **Centennial Utilities/City of Circle Pines**, the employee will be subject to random drug testing at the percentage rate established for the calendar year by the DOT agency regulating more than 50 percent of the employee's function.

If **Centennial Utilities/City of Circle Pines** is required to conduct random drug testing under the drug testing rules of more than one DOT agency, **Centennial Utilities/City of Circle Pines** may—

1. Establish separate pools for random selection, with each pool containing the covered employees who are subject to testing at the same required rate; or
2. Randomly select such employees for testing at the highest percentage rate established for the calendar year by any DOT agency to which **Centennial Utilities/City of Circle Pines** is subject.

   Guidance: To calculate the total number of covered employees eligible for random testing throughout the year, add the total number of covered employees eligible for testing during each random testing period for the year and divide that total by the number of random testing periods

Reasonable Cause

Centennial Utilities/City of Circle Pines will drug test each employee when there is reasonable cause to believe the employee is using a prohibited drug. The decision to test will be based on a reasonable and articulable belief that the employee is using a prohibited drug on the basis of specific, contemporaneous physical, behavioral, or performance indicators of probable drug use. (See Appendix E, *Reasonable Suspicion Observation Checklist* and Appendix F, *Anti-Drug Reasonable Suspicion Guidance Material*).

Centennial Utilities/City of Circle Pines has 50 or fewer employees subject to testing under this part, and employs **at least one supervisor** trained in detecting possible drug use symptoms to substantiate the decision to test for reasonable cause.

Table 4.1. Training Supervisors

Name	Training Method
Patrick Antonen	MOH Training “Reasonable Suspicion”
Kate Manson	MOH Training “Reasonable Suspicion”
Rich Lavell	MOH Training “Reasonable Suspicion”
Pat Stapleton	MOH Training “Reasonable Suspicion”
Chandra Peterson	MOH Training “Reasonable Suspicion”

Return-To-Duty Testing

A covered employee who refuses to take or has a positive drug test may not return to duty in the covered function until the covered employee has complied with applicable provisions of DOT Procedures concerning substance abuse professionals and the return-to-duty process.

> **Centennial Utilities/City of Circle Pines**'s policy is that employees who refuse to take a drug test required by this plan or who tests positive for prohibited drugs prohibited by this plan will, be removed from performance of a covered function and must be evaluated by a Substance Abuse Professional (SAP) and must complete the return to duty process. See *Substance Abuse Professionals and the Return to Duty Process (Subpart O)*.

Centennial Utilities/City of Circle Pines will direct a collection under direct observation of an employee if the drug test is a return-to-duty test.

Follow-Up Testing

A covered employee who refuses to take or has a positive drug test will be subject to unannounced follow-up drug tests administered by **Centennial Utilities/City of Circle Pines** following the covered employee's return to duty. The number and frequency of such follow-up testing will be determined by a substance abuse professional, but will consist of at least six tests in the first 12 months following the covered employee's return to duty. In addition, follow-up testing may include testing for alcohol as directed by the substance abuse professional, to be performed in accordance with 49 CFR Part 40. Follow-up testing will not exceed 60 months from the date of the covered employee's return to duty. The substance abuse professional may terminate the requirement for follow-up testing at any time after the first six tests have been administered, if the substance abuse professional determines that such testing is no longer necessary. See *Substance Abuse Professionals and the Return to Duty Process (Subpart O)*

Centennial Utilities/City of Circle Pines will direct a collection under direct observation of an employee if the drug test is a follow-up test.

4.2. Direct Observation

Centennial Utilities/City of Circle Pines will direct an immediate collection under direct observation with no advance notice to the employee, if

1. The laboratory reported to the MRO that a specimen is invalid, and the MRO reported that there was not an adequate medical explanation for the result;
2. The MRO reported to you that the original positive, adulterated, or substituted result had to be cancelled because the test of the split specimen could not be performed; or
3. The laboratory reported to the MRO that the specimen was negative-dilute with a creatinine concentration greater than or equal to 2 mg/dL but less than or equal to 5 mg/dL, and the MRO reported the specimen to you as negative-dilute and that a second collection must take place under direct observation (see §40.197(b)(1)).
4. **Centennial Utilities/City of Circle Pines** will direct a collection under direct observation of an employee if the drug test is a return-to-duty test or a follow-up test.
5. **Centennial Utilities/City of Circle Pines** will explain to the employee the reason for a directly observed collection under paragraph (1) or (2) of this section.

See *Urine Specimen Collections (Subpart E)*

4.3. Refusal To Take A DOT Drug Test And The Consequences

An employee has refused to take a drug test if they:

1. Fail to appear for any test (except a pre-employment test) within a reasonable time, as determined by **Centennial Utilities/City of Circle Pines**, consistent with applicable DOT agency regulations, after being directed to do so by **Centennial Utilities/City of Circle Pines**. This includes the failure of an employee to appear for a test when called by a C/TPA (see *Urine Specimen Collections (Subpart E)* §40.61(a));

   Reasonable time is defined below:

   Employees shall report immediately to the collection site or to the collection site within 30 minutes, plus travel time, once notified by the appropriate **Centennial Utilities/City of Circle Pines** official.

2. Fail to remain at the testing site until the testing process is complete; provided, That an employee who leaves the collection site before the testing process commences (see , *Urine Collection Personnel (Subpart C)* §40.63 (c) or § 40.72(e), as applicable) for a pre-employment test is not deemed to have refused to test. The collector is not required to inform an employee that the failure to remain at the collection site is a refusal. If an employee leaves prior to the completion of the testing process, per § 40.355(i) the employer must decide whether the employee's actions constitute a refusal;

3. Fail to provide a specimen for any drug test required by this part or DOT agency regulations; Provided, that an employee who does not provide a specimen because he or she has left the testing site before the testing process commences (see , *Urine Collection Personnel (Subpart C)* §40.63 (c) or § 40.72(e), a applicable) for a pre-employment test is not deemed to have refused to test; The collector is not required to inform an employee that the failure to remain at the collection site is a refusal. If an employee leaves prior to the completion of the testing process, per § 40.355(i) the employer must decide whether the employee's actions constitute a refusal.

4. In the case of a directly observed or monitored urine collection in a drug test, fail to permit the observation or monitoring of **Centennial Utilities/City of Circle Pines** employee's provision of a specimen (see *Urine Collection Personnel (Subpart C)* §§40.67(l) and 40.69(g));

5. Fail to provide a sufficient amount of specimen when directed, and it has been determined, through a required medical evaluation, that there was no adequate medical explanation for the failure (see *Problems in Drug Tests (Subpart I)* §40.193(d)(2));

6. Fail or decline to take an additional drug test **Centennial Utilities/City of Circle Pines** or collector has directed the employee to take (see, for instance, *Problems in Drug Tests (Subpart I)* §40.197(b)as applicable:

7. Fail to undergo a medical examination or evaluation, as directed by the MRO as part of the verification process, or as directed by the DER under §40.193(c). In the case of a pre-employment drug test, the employee is deemed to have refused to test on this basis only if the pre-employment test is conducted following a contingent offer of employment. If there was no contingent offer of employment, the MRO will cancel the test; or

8. Fail to cooperate with any part of the testing process (e.g., refuse to empty pockets when directed by the collector, behave in a confrontational way that disrupts the collection process, fail to wash

hands after being directed to do so by the collector fail to remove objects from mouth, fail to permit inspection of the oral cavity, or fail to complete a rinse when requested).

9. For an observed urine collection, fail to follow the observer's instructions to raise the employees' clothing above the waist, lower clothing and underpants, and to turn around to permit the observer to determine if employee has any type of prosthetic or other device that could be used to interfere with the collection process.

10. Possess or wear a prosthetic or other device that could be used to interfere with the collection process: or

11. Admit to the collector or MRO that the employee has adulterated or substituted the specimen.

If the MRO reports that **Centennial Utilities/City of Circle Pines** has a verified adulterated or substituted test result, the employee has refused to take a drug test.

If the employee refuses to take a drug test, the employee incurs the consequences specified under DOT agency regulations for a violation of those DOT agency regulations. The consequences specified under DOT agency regulations for a refusal cannot be overturned or set aside by an arbitration, grievance, State court or other non-Federal forum that adjudicates the personnel decisions the employer has taken against the employee.

If the employee refuses to take a non-DOT test or to sign a non-DOT form, the employee has not refused to take a DOT test. There are no consequences under DOT agency regulations for refusing to take a non-DOT test. (See *Documentation for refusal to submit to DOT Test*)

4.4. Receiving Verified Test Results

Centennial Utilities/City of Circle Pines will immediately remove the employee involved from performing covered (safety-sensitive) functions, and will take this action upon receiving the initial report of the verified positive test result. **Centennial Utilities/City of Circle Pines** will not wait to receive the written report or the result of a split specimen test.

If **Centennial Utilities/City of Circle Pines** receives a verified adulterated or substituted drug test result, **Centennial Utilities/City of Circle Pines** will consider this a refusal to test and immediately remove the employee involved from performing covered (safety-sensitive) functions, and take this action on receiving the initial report of the verified adulterated or substituted test result. **Centennial Utilities/City of Circle Pines** will not wait to receive the written report or the result of a split specimen test.

When an employee has a verified positive, adulterated, or substituted test result, or has otherwise violated a DOT agency drug regulation, **Centennial Utilities/City of Circle Pines** will not return the employee to the performance of covered (safety-sensitive) functions until or unless the employee successfully completes the return-to-duty process. (See *Substance Abuse Professionals and the Return to Duty Process (Subpart O)*)

If **Centennial Utilities/City of Circle Pines** receives a drug test result indicating that the employee's specimen was diluted, **Centennial Utilities/City of Circle Pines** will take action as provided in Section III Drug Testing- Diluted specimen.

If **Centennial Utilities/City of Circle Pines** receives a drug test result indicating that the employee's test was cancelled because it was invalid and that a second collection will take place under direct observation—

1. **Centennial Utilities/City of Circle Pines** will immediately direct the employee to provide a new specimen under direct observation, (either an oral fluid specimen or a urine specimen under direct observation).

2. **Centennial Utilities/City of Circle Pines** will not attach any consequences to the finding that the test was invalid other than collecting a new specimen under direct observation.

3. **Centennial Utilities/City of Circle Pines** will not give any advance notice of this test requirement to the employee.

Centennial Utilities/City of Circle Pines will instruct the collector to note on the CCF the same reason (e.g., random test, post-accident test) as for the original collection.

Centennial Utilities/City of Circle Pines will ensure that the collector conducts the collection under direct observation, (either an oral fluid specimen or a urine specimen under direct observation).

If **Centennial Utilities/City of Circle Pines** receives a cancelled test result when a negative result is required (e.g., pre-employment, return-to-duty, or follow-up test), **Centennial Utilities/City of Circle Pines** will direct the employee to provide another specimen immediately.

Centennial Utilities/City of Circle Pines may also be required to take additional actions required by DOT agency regulations (e.g., FAA rules require some positive drug tests to be reported to the Federal Air Surgeon).

Centennial Utilities/City of Circle Pines will not alter a drug or alcohol test result transmitted to them by an MRO, BAT, or C/TPA.

4.5. Use Of Persons Who Fail or Refuse A Drug Test

Centennial Utilities/City of Circle Pines may not knowingly use as an employee any person who—

1. Fails a drug test required by §199.105, as outlined in Section III Drug Testing, and the medical review officer makes a determination under DOT Procedures; or

2. Refuses to take a drug test required by Part 199 as outlined in this plan.

Paragraph 1 of this section does not apply to a person who has—

1. Passed a drug test under DOT Procedures;

2. Been considered by the medical review officer in accordance with DOT Procedures and been determined by a substance abuse professional to have successfully completed required education or treatment; and

3. Not failed a drug test required by this part after returning to duty.

When an employee has violated DOT drug and alcohol regulations, the employee cannot again perform any DOT safety-sensitive duties for **Centennial Utilities/City of Circle Pines** until and unless the employee completes the SAP evaluation, referral, and education/treatment process set forth in this Plan and in applicable DOT agency regulations. The first step in this process is an SAP evaluation.

For purposes of this Plan a verified positive DOT drug test result, a refusal to test (including by adulterating or substituting a urine specimen) or any other violation of the prohibition on the use of drugs under a DOT agency regulation constitutes a DOT drug regulation violation.

The DER for **Centennial Utilities/City of Circle Pines** will provide to each employee (including an applicant or new employee) who violates a DOT drug and alcohol regulation a listing of SAPs readily available to the employee and acceptable to **Centennial Utilities/City of Circle Pines**, with names, addresses, and telephone numbers. **Centennial Utilities/City of Circle Pines** will not charge the employee any fee for compiling or providing this list. **Centennial Utilities/City of Circle Pines** may provide this list or have it provided through a C/TPA or other service agent.

4.6. Request For Drug And Alcohol Testing Record From Previous Employer

Centennial Utilities/City of Circle Pines will, after obtaining an employee's written consent, request the information listed in this section about the employee. This requirement applies only to employees seeking to begin performing safety-sensitive duties for **Centennial Utilities/City of Circle Pines** for the first time (i.e., a new hire, an employee transferring into a safety-sensitive position). If the employee refuses to provide this written consent, **Centennial Utilities/City of Circle Pines** will not permit the employee to perform safety-sensitive functions.

Centennial Utilities/City of Circle Pines will request the information listed below from DOT-regulated employers who have employed the employee during any period during the two years before the date of the employee's application or transfer:

1. Alcohol tests with a result of 0.04 or higher alcohol concentration;
2. Verified positive drug tests;
3. Refusals to be tested (including verified adulterated or substituted drug test results);
4. Other violations of DOT agency drug and alcohol testing regulations; and
5. With respect to any employee who violated a DOT drug and alcohol regulation, documentation of the employee's successful completion of DOT return-to-duty requirements (including follow-up tests). If the previous employer does not have information about the return-do-duty process (e.g., an employer who did not hire an employee who tested positive on a pre-employment test), **Centennial Utilities/City of Circle Pines** will seek to obtain this information from the employee.

The information obtained from a previous employer includes any drug or alcohol test information obtained from previous employers under this section or other applicable DOT agency regulations.

If feasible, **Centennial Utilities/City of Circle Pines** will obtain and review this information before the employee first performs covered (safety-sensitive) functions. If this is not feasible, **Centennial Utilities/City of Circle Pines** will obtain and review the information as soon as possible. However, **Centennial Utilities/City of Circle Pines** will not permit the employee to perform safety-sensitive

functions after 30 days from the date on which the employee first performed safety-sensitive functions, unless **Centennial Utilities/City of Circle Pines** has obtained or made and documented a good faith effort to obtain this information. See *Release of Information Form*.

If **Centennial Utilities/City of Circle Pines** obtains information that the employee has violated a DOT agency drug and alcohol regulation, **Centennial Utilities/City of Circle Pines** will not use the employee to perform covered (safety-sensitive) functions unless **Centennial Utilities/City of Circle Pines** also obtains information that the employee has subsequently complied with the return-to-duty requirements of *Substance Abuse Professionals and the Return to Duty Process (Subpart O)* and DOT agency drug and alcohol regulations.

The employee will provide to each of the employers from whom **Centennial Utilities/City of Circle Pines** request information and written consent for the release of the information cited in this section.

The release of information under this section will be in any written form (e.g., fax, e-mail, and letter) that ensures confidentiality. As the previous employer, **Centennial Utilities/City of Circle Pines** will maintain a written record of the information released, including the date, the party to whom it was released and a summary of the information provided.

If **Centennial Utilities/City of Circle Pines** is an employer from whom information is requested, **Centennial Utilities/City of Circle Pines** will, after reviewing the employee's specific, written consent, immediately release the requested information to the employer making the inquiry.

As the employer requesting the information required under this section, **Centennial Utilities/City of Circle Pines** will maintain a written, confidential record of the information **Centennial Utilities/City of Circle Pines** obtains or of the good faith efforts **Centennial Utilities/City of Circle Pines** made to obtain the information. **Centennial Utilities/City of Circle Pines** will retain this information for three years from the date of the employee's first performance of safety-sensitive duties for **Centennial Utilities/City of Circle Pines**.

Centennial Utilities/City of Circle Pines will also ask the employee whether he or she has tested positive, or refused to test, on any pre-employment drug or alcohol test administered by an employer to which the employee applied for, but did not obtain, safety-sensitive transportation work covered by DOT agency drug and alcohol testing rules during the past two years. If the employee admits that he or she had a positive test or a refusal to test, **Centennial Utilities/City of Circle Pines** will not use the employee to perform covered (safety-sensitive) functions for **Centennial Utilities/City of Circle Pines**, until and unless the employee documents successful completion of the return-to-duty process

4.7. Diluted Specimen

As the employer, if the MRO informs **Centennial Utilities/City of Circle Pines** that a positive drug test was dilute, **Centennial Utilities/City of Circle Pines** will simply treat the test as a verified positive test. **Centennial Utilities/City of Circle Pines** will not direct the employee to take another test based on the fact that the specimen was dilute.

If the MRO informs **Centennial Utilities/City of Circle Pines** that a negative test was dilute, take the following action:

1. If the MRO directs **Centennial Utilities/City of Circle Pines** to conduct a recollection under direct observation (i.e., because the creatinine concentration of the specimen was equal to or greater than 2mg/dL, but less than or equal to 5 mg/dL (see , *Collection Sites, Forms, Equipment and Supplies Used in DOT Urine Collections (Subpart D)* §40.155(c)), **Centennial Utilities/City of Circle Pines** will do so immediately.

2. Otherwise (i.e., if the creatinine concentration of the dilute specimen is greater than 5 mg/dL), **Centennial Utilities/City of Circle Pines** may, but is not required to, direct the employee to take another test immediately.

    2.1. Such recollections will not be collected under direct observation, unless there is another basis for use of direct observation (see *Urine Specimen Collections (Subpart E)* §40.67 (b) and (c)).

    2.2. **Centennial Utilities/City of Circle Pines** will treat all employees the same for this purpose. **Centennial Utilities/City of Circle Pines** may, however, establish different policies for different types of tests (e.g., conduct retests in pre-employment situations, but not in random test situations). **Centennial Utilities/City of Circle Pines** will inform its employees in advance of **Centennial Utilities/City of Circle Pines**' decisions on these matters.

The following provisions apply to all tests **Centennial Utilities/City of Circle Pines** may direct an employee to take under this section:

1. **Centennial Utilities/City of Circle Pines** will ensure that the employee is given the minimum possible advance notice that he or she will go to the collection site;

2. **Centennial Utilities/City of Circle Pines** will treat the result of the test **Centennial Utilities/City of Circle Pines** directed the employee to take under this section—and not a prior test—as the test result of record, on which **Centennial Utilities/City of Circle Pines** rely for purposes of this plan;

3. If the result of the test **Centennial Utilities/City of Circle Pines** directed the employee to take under this section is also negative and dilute, **Centennial Utilities/City of Circle Pines** is not permitted to make the employee take an additional test because the result was diluted.

4. If the result of the test **Centennial Utilities/City of Circle Pines** directed the employee to take under this section is also negative and dilute, **Centennial Utilities/City of Circle Pines** is not permitted to make the employee take an additional test because the result was diluted. Provided, however, that if the MRO directs **Centennial Utilities/City of Circle Pines** to conduct a recollection under direct observation under paragraph (2.1) of this section, **Centennial Utilities/City of Circle Pines** will immediately do so.

5. If the employee declines to take a test **Centennial Utilities/City of Circle Pines** directed him or her to take under paragraph (1) of this section, the employee has refused the test for purposes of Part 40 and DOT agency regulations.

4.8. Stand Down Process

As an employer, **Centennial Utilities/City of Circle Pines** is prohibited from standing employees down, except consistent with a waiver a DOT agency grants under this section.

Centennial Utilities/City of Circle Pines may make a request to the concerned DOT agency for a waiver from the prohibition. Such a waiver, if granted, permits **Centennial Utilities/City of Circle Pines** to stand an employee down following the MRO's receipt of a laboratory report of a confirmed positive test for a drug or drug metabolite, an adulterated test, or a substituted test pertaining to the employee.

For this purpose, the concerned DOT agency is the one whose drug and alcohol testing rules apply to the majority of the covered employees in **Centennial Utilities/City of Circle Pines'** organization. The concerned DOT agency uses its applicable procedures for considering requests for waivers.

Before taking action on a waiver request, the concerned DOT agency coordinates with other DOT agencies that regulate the employer's other covered employees.

The concerned DOT agency provides a written response to each employer that petitions for a waiver, setting forth the reasons for the agency's decision on the waiver request.

Centennial Utilities/City of Circle Pines's request for a waiver will include, as a minimum, the following elements:

1. Information about **Centennial Utilities/City of Circle Pines**'s organization:
2. **Centennial Utilities/City of Circle Pines**'s determination that standing employees down is necessary for safety in **Centennial Utilities/City of Circle Pines**'s organization and a statement of **Centennial Utilities/City of Circle Pines**'s basis for it, including any data on safety problems or incidents that could have been prevented if a stand-down procedure had been in place;
3. Data showing the number of confirmed laboratory positive, adulterated, and substituted test results for **Centennial Utilities/City of Circle Pines**'s employees over the two calendar years preceding **Centennial Utilities/City of Circle Pines**'s waiver request, and the number and percentage of those test results that were verified positive, adulterated, or substituted by the MRO;
4. Information about the work situation of the employees subject to stand-down, including a description of the size and organization of the unit(s) in which the employees work, the process through which employees will be informed of the stand-down, whether there is an in-house MRO, and whether **Centennial Utilities/City of Circle Pines**'s organization has a medical disqualification or stand-down policy for employees in situations other than drug and alcohol testing; and
5. A statement of which DOT agencies regulate **Centennial Utilities/City of Circle Pines**'s employees.

Centennial Utilities/City of Circle Pines proposed written company policy concerning stand-down, which will include the following elements:

1. **Centennial Utilities/City of Circle Pines'** assurance that they will distribute copies of their written policy to all employees that it covers;
2. **Centennial Utilities/City of Circle Pines**' means of ensuring that no information about the confirmed positive, adulterated, or substituted test result or the reason for the employee's temporary removal from performance of safety-sensitive functions becomes available, directly or

indirectly, to anyone in **Centennial Utilities/City of Circle Pines**'s organization (or subsequently to another employer) other than the employee, the MRO and the DER;

3. **Centennial Utilities/City of Circle Pines'** means of ensuring that all covered employees in a particular job category in their organization are treated the same way with respect to stand-down;

4. **Centennial Utilities/City of Circle Pines'** means of ensuring that a covered employee will be subject to stand-down only with respect to the actual performance of safety-sensitive duties;

5. **Centennial Utilities/City of Circle Pines'** means of ensuring that they will not take any action adversely affecting the employee's pay and benefits pending the completion of the MRO's verification process. This includes continuing to pay the employee during the period of the stand-down in the same way they would have paid him or her had he or she not been stood down;

6. **Centennial Utilities/City of Circle Pines**'s means of ensuring that the verification process will commence no later than the time an employee is temporarily removed from the performance of safety-sensitive functions and that the period of stand-down for any employee will not exceed five days, unless **Centennial Utilities/City of Circle Pines** is informed in writing by the MRO that a longer period is needed to complete the verification process; and

7. **Centennial Utilities/City of Circle Pines**'s means of ensuring that, in the event that the MRO verifies the test negative or cancels it—

   7.1. **Centennial Utilities/City of Circle Pines** returns the employee immediately to the performance of safety-sensitive duties;

   7.2. The employee suffers no adverse personnel or financial consequences as a result;

   7.3. For a verified negative result, the employee will not be required to submit an alternate specimen for the same testing action. For a cancelled result, the employee could be required to submit an alternate specimen on a re-collection; and

   7.4. **Centennial Utilities/City of Circle Pines** maintains no individually identifiable record that the employee had a confirmed laboratory positive, adulterated, or substituted test result (i.e., **Centennial Utilities/City of Circle Pines** maintains a record of the test only as a negative or cancelled test).

The Administrator of the concerned DOT agency, or his or her designee, may grant a waiver request only if he or she determines that, in the context of **Centennial Utilities/City of Circle Pines**'s organization, there is a high probability that the procedures that **Centennial Utilities/City of Circle Pines** propose will effectively enhance safety and protect the interests of employees in fairness and confidentiality.

1. The Administrator, or his or her designee, may impose any conditions he or she deems appropriate on the grant of a waiver.

2. The Administrator, or his or her designee, may immediately suspend or revoke the waiver if he or she determines that **Centennial Utilities/City of Circle Pines** has failed to protect effectively the

interests of employees in fairness and confidentiality, that **Centennial Utilities/City of Circle Pines** have failed to comply with the requirements of this section, or that **Centennial Utilities/City of Circle Pines** has failed to comply with any other conditions the DOT agency has attached to the waiver.

3. **Centennial Utilities/City of Circle Pines** will not stand employees down in the absence of a waiver, or inconsistent with the terms of **Centennial Utilities/City of Circle Pines**'s waiver. If **Centennial Utilities/City of Circle Pines** does, **Centennial Utilities/City of Circle Pines** is in violation of this part and DOT agency drug testing regulations, and **Centennial Utilities/City of Circle Pines** is subject to enforcement action by the DOT agency just as **Centennial Utilities/City of Circle Pines** is for other violations of this and other DOT agency rules.

4.9. Stand-Down Waivers

If **Centennial Utilities/City of Circle Pines** seeks a waiver under Section 4.9 of this title from the stand-down restriction, **Centennial Utilities/City of Circle Pines** will submit an application for the waiver in duplicate to:

Associate Administrator for Pipeline Safety,

Pipeline and Hazardous Materials Safety Administration,

U.S. Department of Transportation,

1200 New Jersey Avenue, SE,

Washington, DC 20590-0001

Each application must—

1. Identify §40.21 of this title as the rule from which the waiver is sought;

2. Explain why the waiver is requested and describe the employees to be covered by the waiver;

3. Contain the information required by Section 4.9 of this title and any other information or arguments available to support the waiver requested; and

4. Unless good cause is shown in the application, be submitted at least 60 days before the proposed effective date of the waiver.

No public hearing or other proceeding is held directly on an application before its disposition under this section. If the Associate Administrator determines that the application contains adequate justification, he or she grants the waiver. If the Associate Administrator determines that the application does not justify granting the waiver, he or she denies the application. The Associate Administrator notifies each applicant of the decision to grant or deny an application.

4.10. Cancelled Drug Test

A cancelled drug test is neither positive nor negative.

1. As an employer, **Centennial Utilities/City of Circle Pines** will not attach to a cancelled test the consequences of a positive test or other violation of a DOT drug testing regulation (e.g., removal from a safety-sensitive position).

2. As an employer, **Centennial Utilities/City of Circle Pines** will not use a cancelled test for the purposes of a negative test to authorize the employee to perform safety-sensitive functions (i.e., in the case of a pre-employment, return-to-duty, or follow-up test).

3. However, as an employer, **Centennial Utilities/City of Circle Pines** will not direct a recollection for an employee because a test has been cancelled, except in the situations cited in paragraph (2) of this section or other provisions of this part that require another test to be conducted (see *Medical Review Officers and the Verification Process (Subpart G)* §§40.159(a)(5) and 49 CFR Part 40.187(b)(2), (c)(1), and (e))

4. A cancelled test does not count toward compliance with DOT requirements (e.g., being applied toward the number of tests needed to meet the employer's minimum random testing rate).

5. A cancelled DOT test does not provide a valid basis for an employer to conduct a non-DOT test (i.e., a test under company authority).

4.11. Retention Of Samples And Additional Testing

Samples that yield positive results on confirmation will be retained by the laboratory in properly secured, long-term, frozen storage for at least 365 days as required by the DOT Procedures. Within this 365-day period, the employee or the employee's representative, **Centennial Utilities/City of Circle Pines**, the Administrator, or, if **Centennial Utilities/City of Circle Pines** is subject to the jurisdiction of a state agency, the state agency may request that the laboratory retain the sample for an additional period. If, within the 365-day period, the laboratory has not received a proper written request to retain the sample for a further reasonable period specified in the request, the sample may be discarded following the end of the 365-day period.

If the Medical Review Officer (MRO) determines there is no legitimate medical explanation for a confirmed positive test result other than the unauthorized use of a prohibited drug, and if timely additional testing is requested by the employee according to DOT Procedures, the split specimen will be tested by a second laboratory that is certified by the Department of Health and Human Services. **Centennial Utilities/City of Circle Pines** may require the employee to pay in advance the cost of shipment (if any) and reanalysis of the sample, but the employee will be reimbursed for such expense if the additional test is negative. It is **Centennial Utilities/City of Circle Pines**'s responsibility to ensure the split test takes place without delay.

The original laboratory will follow approved chain-of-custody procedures in transferring the split to the second laboratory.

Since some analytes may deteriorate during storage, detected levels of the drug below the detection limits established in the DOT Procedures, but equal to or greater than the established sensitivity of the assay, will, as technically appropriate, be reported and considered corroborative of the original positive results.

4.12. Review Of Drug Testing Results

MRO appointment. **Centennial Utilities/City of Circle Pines** shall designate or appoint a Medical Review Officer (MRO). If **Centennial Utilities/City of Circle Pines** does not have a qualified individual on staff to serve as MRO, **Centennial Utilities/City of Circle Pines** may contract for the provision of MRO services as part of its anti-drug program. See , *Medical Review Officers and the Verification Process (Subpart G)*.

MRO qualifications. Each MRO must be a licensed physician who has the qualifications required by DOT Procedures. A MRO is responsible for ensuring the accuracy, integrity, and confidentiality of the drug testing process. Key duties include acting as an impartial gatekeeper, reviewing Custody and Control Forms (CCFs) for errors that may warrant test cancellations, determining legitimate medical explanations for certain test results, and addressing performance issues with stakeholders. The MRO must not establish a doctor-patient relationship, must report unresolved problems to appropriate authorities, ensure timely communication of test results to employers, and comply with all applicable DOT regulations.

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MRO duties. The MRO must perform functions for the operator as required by DOT Procedures.

MRO reports. The MRO must report all drug test results to the operator in accordance with DOT Procedures.

Evaluation and rehabilitation may be provided by the operator, by a substance abuse professional under contract with **Centennial Utilities/City of Circle Pines**, or by a substance abuse professional not affiliated with **Centennial Utilities/City of Circle Pines**. The choice of substance abuse professional and assignment of costs shall be made in accordance with **Centennial Utilities/City of Circle Pines** / employee agreements and **Centennial Utilities/City of Circle Pines** / employee policies.

Centennial Utilities/City of Circle Pines shall ensure that a substance abuse professional, who determines that a covered employee requires assistance in resolving problems with drug abuse, does not refer the covered employee to the substance abuse professional's private practice or to a person or organization from which the substance abuse professional receives remuneration or in which the substance abuse professional has a financial interest. This paragraph does not prohibit a substance abuse professional from referring a covered employee for assistance provided through:

1. A public agency, such as a State, county, or municipality;
2. **Centennial Utilities/City of Circle Pines** or a person under contract to provide treatment for drug problems on behalf of the operator;
3. The sole source of therapeutically appropriate treatment under the employee's health insurance program; or
4. The sole source of therapeutically appropriate treatment reasonably accessible to the employee.

4.13. Reporting Of Anti-Drug Testing Results

Each annual MIS report shall be submitted no later than March 15 of each year to:

Office of Pipeline Safety,

Pipeline and Hazardous Materials Safety Administration,

U.S. Department of Transportation, PHP-60,

1200 New Jersey Avenue, SE,

Washington, DC 20590

Each large operator (having more than 50 covered employees) must submit an annual Management Information System (MIS) report to PHMSA of its anti-drug testing using the MIS form and instructions as required by 49 CFR part 40 (at § 40.26 and appendix H to part 40), not later than March 15 of each year for the prior calendar year (January 1 through December 31). The Administrator may require by notice in the PHMSA Portal (https://portal.phmsa.dot.gov/phmsaportallanding) that small operators (50 or fewer covered employees), not otherwise required to submit annual MIS reports, to prepare and submit such reports to PHMSA.

Each report required under this section must be submitted electronically at http://damis.dot.gov. An operator may obtain the user name and password needed for electronic reporting from the PHMSA Portal (https://portal.phmsa.dot.gov/phmsaportallanding). If electronic reporting imposes an undue burden and hardship, the operator may submit a written request for an alternative reporting method to the

Information Resources Manager,

Office of Pipeline Safety,

Pipeline and Hazardous Materials Safety Administration,

1200 New Jersey Avenue, SE,

Washington, DC 20590

The request must describe the undue burden and hardship. PHMSA will review the request and may authorize, in writing, an alternative reporting method. An authorization will state the period for which it is valid, which may be indefinite. An operator must contact PHMSA at 202-366-8075, or electronically to: informationresourcesmanager@dot.gov to make arrangements for submitting a report that is due after a request for alternative reporting is submitted but before an authorization or denial is received.

Covered employees, and only covered employees, are to be in an employer's random testing pool, and all covered employees will be in the random pool. If **Centennial Utilities/City of Circle Pines** is conducting random testing more often than once per month (e.g., daily, weekly, bi-weekly), **Centennial Utilities/City of Circle Pines** does not need to compute this total number of covered employees' rate more than on a once per month basis.

Centennial Utilities/City of Circle Pines may use a service agent (e.g., C/TPA) to perform random selections and **Centennial Utilities/City of Circle Pines**'s covered employees may be part of a larger random testing pool of covered employees. However, **Centennial Utilities/City of Circle Pines** will ensure that the service agent **Centennial Utilities/City of Circle Pines** uses is testing at the

appropriate percentage established for the industry and that only covered employees are in the random testing pool.

Each covered employee who performs multi-DOT agency functions (e.g., an employee performs pipeline maintenance duties and drives a commercial motor vehicle) will be counted on the MIS report for the DOT agency under which he or she is randomly tested. Normally, this will be the DOT agency under which the employee performs more than 50% of his or her duties. Operators may have to explain the testing data for these employees in the event of a DOT agency inspection or audit.

A service agent (e.g., Consortia/Third Party Administrator as defined in 49 CFR part 40) may prepare the MIS report on behalf of **Centennial Utilities/City of Circle Pines**. However, each report shall be certified by **Centennial Utilities/City of Circle Pines**' anti-drug manager or designated representative for accuracy and completeness.

4.14. Retention Of Specimens After Testing

The laboratory testing the primary specimen will retain a specimen that was reported with positive, adulterated, substituted, or invalid results for a minimum of one year.

The laboratory will keep such a specimen in secure, long-term, frozen storage in accordance with HHS requirements.

Within the one-year period, the MRO, the employee, the employer, or a DOT agency may request in writing that the laboratory retain a specimen for an additional period of time (e.g., for the purpose of preserving evidence for litigation or a safety investigation). If the laboratory receives such a request, they will comply with it. If the laboratory does not receive such a request, they may discard the specimen at the end of the year.

If a split specimen has not been sent to another laboratory for testing, it will be retained for an employee's test for the same period of time as the primary specimen and under the same storage conditions.

As the laboratory testing the split specimen, it will meet the requirements of this section with respect to the split specimen.

Samples that yield positive results on confirmation must be retained by the laboratory in properly secured, long-term, frozen storage for at least 365 days as required by the DOT Procedures. Within this 365-day period, the employee or the employee's representative, **Centennial Utilities/City of Circle Pines**, the Administrator, or, if **Centennial Utilities/City of Circle Pines** is subject to the jurisdiction of a state agency, the state agency may request that the laboratory retain the sample for an additional period. If, within the 365-day period, the laboratory has not received a proper written request to retain the sample for a further reasonable period specified in the request, the sample may be discarded following the end of the 365-day period.

If the medical review officer (MRO) determines there is no legitimate medical explanation for a confirmed positive test result other than the unauthorized use of a prohibited drug, and if timely additional testing is requested by the employee according to DOT Procedures, the split specimen will be tested. The employee may specify testing by the original laboratory or by a second laboratory that is certified by the Department of Health and Human Services. **Centennial Utilities/City of Circle**

Pines may require the employee to pay in advance the cost of shipment (if any) and reanalysis of the sample, but the employee must be reimbursed for such expense if the additional test is negative.

If the employee specifies testing by a second laboratory, the original laboratory will follow approved chain-of-custody procedures in transferring a portion of the sample.

Since some analytes may deteriorate during storage, detected levels of the drug below the detection limits established in the DOT Procedures, but equal to or greater than the established sensitivity of the assay, will, as technically appropriate, be reported and considered corroborative of the original positive results.

4.15. Split Specimen Tests

Split Specimen. When the MRO has verified a result as positive, adulterated, or substituted, the MRO will notify the employee of their right to have the split specimen tested. The employee must notify the MRO within 72 hours of the result being verified in order to have this testing conducted. If the employee requests that the split specimen be tested within the 72-hour period, the MRO will ensure that the split specimen is tested. Testing of the split specimen is only conducted at the request of the employee, and then only after using the MRO as the requesting agent for the employee.

Centennial Utilities/City of Circle Pines shall make sure that the MRO, first laboratory, and second laboratory perform the functions noted in Part 40 in a timely manner, once the employee has made a timely request for a test of the split specimen (e.g., by establishing appropriate accounts with laboratories for testing split specimens).

Centennial Utilities/City of Circle Pines shall not condition compliance with these requirements on the employee's direct payment to the MRO or laboratory or the employee's agreement for reimbursement of the costs of testing.

Laboratory. The testing of the split specimen will be conducted at another HHS-certified laboratory, different from the original laboratory. **Centennial Utilities/City of Circle Pines** will select the second laboratory. The split specimen will be tested for the same substance or condition that was found in the primary specimen.

The MRO will report back to the DER and the employee whether the split reconfirms the primary. If the test of the split does not reconfirm the primary, both tests will be cancelled as if they never occurred. See *Split Specimen Tests (Subpart H)* for applicable requirements.

CHAPTER 5. EMPLOYEE ASSISTANCE PROGRAM (EAP)

1. **Centennial Utilities/City of Circle Pines** provides an employee assistance program (EAP) for its employees and supervisory personnel who will determine whether an employee will be drug or alcohol tested based on reasonable cause.

2. **Centennial Utilities/City of Circle Pines** has established EAP by contracting with an entity that provides EAP services.

Table 5.1. Employee Assistance Program Address

Name	Health Partners EAP
Company	
Street Address	
City	
County	
State	
Zip	
Phone	
Email	
Comments	

3. Each EAP will include education and training on drug and alcohol use.

4. At the discretion of **Centennial Utilities/City of Circle Pines**, the EAP may include an opportunity for employee rehabilitation.

   Centennial Utilities/City of Circle Pines does not offer an Employee Rehabilitation Policy.

5. Education under each EAP will include at least the following elements:

   5.a. display and distribution of informational material;

   5.b. display and distribution of a community service hot-line telephone number for employee assistance;

   5.c. and display and distribution of the employer's policy regarding the use of prohibited drugs.

6. Training under each EAP for supervisory personnel who will determine whether an employee will be drug tested based on reasonable cause will include one 60-minute period of training on the specific, contemporaneous physical, behavioral, and performance indicators of probable drug use.

CHAPTER 6. RECORD KEEPING

The DER, or designee, will maintain a locked file system, which will contain drug test results. The file will be maintained as Confidential. Employee files will be handled on a strict "need-to-know" basis. ***If records are kept electronically, they will be password protected****.*

6.1. Requirements

Centennial Utilities/City of Circle Pines will keep the following records for the following periods of time:

- 1 YEAR
  - Records of negative and cancelled drug test results
- 3 YEARS
  - Information obtained from previous employers under Part 40.25 concerning drug test results of employees
  - Records confirming that supervisors and employees have been training as required by Part 199
  - Records that demonstrate the collection process conforms to Part 199
  - Records of decisions not to administer post-accident employee drug tests
- 5 YEARS
  - Records of verified positive drug test results
  - Documentation of refusals to take required drug tests (including substituted or adulterated drug test results
  - SAP reports, including compliance with SAP recommendations
  - All follow-up tests and schedules for follow-up tests
  - MIS Annual Report Data
- **Centennial Utilities/City of Circle Pines** does not have to keep records related to a program requirement that does not apply to **Centennial Utilities/City of Circle Pines** (e.g., a maritime employer who does not have a DOT-mandated random alcohol testing program need not maintain random alcohol testing records).
- **Centennial Utilities/City of Circle Pines** will maintain the records in a location with controlled access. The records will be maintained by the DER.
- A service agent may maintain these records for **Centennial Utilities/City of Circle Pines**. However, **Centennial Utilities/City of Circle Pines** will ensure that The Service Agent can produce these records at **Centennial Utilities/City of Circle Pines**'s principal place of business in the time required by the DOT agency.

- If **Centennial Utilities/City of Circle Pines** stores records electronically, where permitted by this plan, they will be password protected. **Centennial Utilities/City of Circle Pines** will ensure that the records are easily accessible, legible, and formatted and stored in an organized manner. If electronic records do not meet these criteria, **Centennial Utilities/City of Circle Pines** will convert them to printed documentation in a rapid and readily auditable manner, at the request of DOT agency personnel.
- Information regarding an individual's drug testing results or rehabilitation will be released upon the written consent of the individual and as provided by DOT Procedures. Statistical data related to drug testing and rehabilitation that is not name-specific and training records will be made available to the Administrator or the representative of a state agency upon request.

6.2. Access to facilities and records

1. Except as required by law or expressly authorized or required in this Section, **Centennial Utilities/City of Circle Pines** shall not release covered employee information that is contained in records required to be maintained in §199.227.
2. A covered employee is entitled, upon written request, to obtain copies of any records pertaining to the employee's use of alcohol, including any records pertaining to his or her alcohol tests. **Centennial Utilities/City of Circle Pines** shall promptly provide the records requested by the employee. Access to an employee's records shall not be contingent upon payment for records other than those specifically requested.
3. **Centennial Utilities/City of Circle Pines** shall permit access to all facilities utilized in complying with the requirements of this subpart to the Secretary of Transportation, any DOT agency, or a representative of a state agency with regulatory authority over the operator.
4. **Centennial Utilities/City of Circle Pines** shall make available copies of all results for employer alcohol testing conducted under this subpart and any other information pertaining to the operator's alcohol misuse prevention program, when requested by the Secretary of Transportation, any DOT agency with regulatory authority over the operator, or a representative of a state agency with regulatory authority over the operator. The information shall include name-specific alcohol test results, records, and reports.
5. When requested by the National Transportation Safety Board as part of an accident investigation, **Centennial Utilities/City of Circle Pines** shall disclose information related to the operator's administration of any post- accident alcohol tests administered following the accident under investigation.
6. **Centennial Utilities/City of Circle Pines** shall make records available to a subsequent employer upon receipt of the written request from the covered employee. Disclosure by the subsequent employer is permitted only as expressly authorized by the terms of the employee's written request.
7. **Centennial Utilities/City of Circle Pines** may disclose information without employee consent as provided by DOT Procedures concerning certain legal proceedings.
8. **Centennial Utilities/City of Circle Pines** shall release information regarding a covered employee's records as directed by the specific, written consent of the employee authorizing release of the

information to an identified person. Release of such information by the person receiving the information is permitted only in accordance with the terms of the employee's consent.

CHAPTER 7. CONTRACTOR MONITORING

7.1. Contractor Employees

1. With respect to those employees who are contractors or employed by a contractor, **Centennial Utilities/City of Circle Pines** may provide by contract that the drug testing, education, and training required by this part be carried out by the contractor provided:

   1.a. **Centennial Utilities/City of Circle Pines** remains responsible for ensuring that the requirements of this part are complied with; and

   NOTE: Contractor compliance verification process is included in Appendix J, *Operator Company Policies*;

   1.b. The contractor allows access to property and records by **Centennial Utilities/City of Circle Pines**, the Administrator, and if **Centennial Utilities/City of Circle Pines** is subject to the jurisdiction of a state agency, a representative of the state agency for the purpose of monitoring **Centennial Utilities/City of Circle Pines**'s compliance with the requirements of this part. See *Roles and Responsibilities of Service Agents (Subpart Q)*

CHAPTER 8. INTRODUCTION TO ALCOHOL MISUSE PREVENTION PLAN

8.1. Purpose.

The purpose of this plan is to establish a program designed to help prevent accidents and injuries resulting from the misuse of alcohol by employees who perform covered functions for operators of certain pipeline facilities subject to 49 CFR Part 192, 193, 195 and Part 40.

Only saliva or breath for screening tests and breath for confirmation tests using approved devices are permitted. (See *Problems in Alcohol Testing (Subpart N)*) §40.277

The plan contains methods and procedures for compliance with all the requirements of 199 and Part 40 including required testing, recordkeeping, reporting, education, and training elements.

8.2. Management Information System (MIS) data

Centennial Utilities/City of Circle Pines will use the form and instructions in Appendix H of Part 40. A copy of this form can also be found in Appendix D, *Drug Alcohol Testing MIS Form*.

Centennial Utilities/City of Circle Pines will submit the MIS report in accordance with rule requirements (e.g., dates for submission; selection of companies required to submit, and method of reporting) as established by the DOT and outlined below.

8.3. Employer Responsibilities

Centennial Utilities/City of Circle Pines is responsible for meeting all applicable requirements and procedures of 49 CFR Parts 199 and Part 40.

1. **Centennial Utilities/City of Circle Pines** is responsible for all actions of our officials, representatives, and agents (including service agents) in carrying out the requirements of the DOT agency regulations.

2. **Centennial Utilities/City of Circle Pines** is responsible for all agreements and arrangements, written or unwritten, between and among **Centennial Utilities/City of Circle Pines** and service agents concerning the implementation of DOT drug and alcohol testing requirements are deemed, as a matter of law, to require compliance with all applicable provisions of Part 40 and DOT agency drug and alcohol testing regulations. Compliance with these provisions is a material term of all such agreements and arrangements.

8.4. Contractor employees

With respect to those covered employees who are contractors or employed by a contractor, an operator may provide by contract that the alcohol testing, training and education required by this subpart be carried out by the contractor provided:

1. The operator remains responsible for ensuring that the requirements of this plan are complied with; and

2. The contractor allows access to property and records by the operator, the Administrator, any DOT agency with regulatory authority over the operator or covered employee, and, if the operator is

subject to the jurisdiction of a state agency, a representative of the state agency for the purposes of monitoring the operator's compliance with the requirements of this plan.

8.5. Removal of Employee from covered function

Centennial Utilities/City of Circle Pines shall not permit any covered employee to perform covered functions if the employee has engaged in conduct prohibited by this plan.

8.6. Public Interest Exclusion (PIE)

1. **Centennial Utilities/City of Circle Pines** is deemed to have notice of the issuance of a PIE when it appears on the list mentioned in *Public Interest Exclusions (Subpart R)* §40.401(a) or the notice of the PIE appears in the Federal Register as provided in *Public Interest Exclusions (Subpart R)* §40.401(d). **Centennial Utilities/City of Circle Pines** will check this List to ensure that any service agents you are using or planning to use are not subject to a PIE.

2. If **Centennial Utilities/City of Circle Pines** is using a service agent concerning whom a PIE is issued, **Centennial Utilities/City of Circle Pines** will stop using the services of the service agent no later than 90 days after the Department has published the decision in the Federal Register or posted it on its web site. An application may be made to the ODAPC Director for an extension of 30 days if it can be demonstrated that a substitute service agent cannot be found within 90 days.

3. Except during the period provided in paragraph (2) of this section, **Centennial Utilities/City of Circle Pines** will not, use the services of a service agent that are covered by a PIE that the Director has issued under this subpart or this may result in a violation of the Department's regulations and subject to applicable DOT agency sanctions (e.g., civil penalties, withholding of Federal financial assistance).

4. **Centennial Utilities/City of Circle Pines** also will not obtain drug or alcohol testing services through a contractor or affiliate of the service agent to whom the PIE applies.

5. This section's prohibition on using the services of a service agent concerning which the Director has issued a PIE applies to employers in all industries subject to DOT drug and alcohol testing regulations.

6. The issuance of a PIE does not result in the cancellation of drug or alcohol tests conducted using the service agent involved before the issuance of the Director's decision or up to 90 days following its publication in the Federal Register or posting on the Department's web site, unless otherwise specified in the Director's PIE decision or the Director grants an extension as provided in paragraph (2) of this section.

8.7. DOT drug and alcohol tests in relation to non-DOT tests

DOT tests will be completely separate from non-DOT tests in all respects.

1. DOT tests will take priority and will be conducted and completed before a non-DOT test is begun. When conducting a urine DOT drug test, you must discard any excess urine left over from a DOT test and collect a separate urine void for the subsequent non-DOT test.

2. Except as provided in paragraph 3 of this section, **Centennial Utilities/City of Circle Pines** will not perform any tests on DOT specimens other than those tests specifically authorized by this part or

DOT agency regulations. DOT specimens - must not be tested for additional drugs. In addition, a laboratory is prohibited from making a DOT specimen available for a DNA test or other types of specimen identity testing.

3. When a DOT urine drug test collection is conducted as part of a physical examination required by DOT agency regulations. It is permissible to conduct medical tests related to this physical examination (e.g., for glucose) on any urine remaining in the collection container after the DOT portion has been sealed into the specimen bottles.

4. A non-DOT drug or alcohol test administered, as part of a physical examination, is not a DOT drug or alcohol test for purposes of this part and/or related DOT agency drug and alcohol testing rules, if that test was performed to determine if an employee is medically qualified for a license or certificate. Consequently, the results of such a test do not have consequences under this part.

5. No one is permitted to change or disregard the results of DOT tests based on the results of non-DOT tests. **Centennial Utilities/City of Circle Pines** will not disregard a verified positive DOT drug test result because the employee presents a negative test result from a blood or urine specimen collected by the employee's physician or a DNA test result purporting to question the identity of the DOT specimen.

6. **Centennial Utilities/City of Circle Pines** will not use the CCF or the ATF in **Centennial Utilities/City of Circle Pines**'s non-DOT drug and alcohol testing programs. This prohibition includes the use of the DOT forms with references to DOT programs and agencies crossed out. **Centennial Utilities/City of Circle Pines** also will always use the CCF and ATF for all your DOT-mandated drug and alcohol tests.

7. No one is permitted to conduct a DOT drug or alcohol test on an individual who is not a DOT-regulated employee, as defined by the DOT agency regulations.

8.8. Policy on the misuse of alcohol

Consent or release requirement

Reference(s): §40.27

Centennial Utilities/City of Circle Pines will not require an employee to sign a consent, release, waiver of liability, or indemnification agreement with respect to any part of the alcohol testing process covered by this plan, however, the employee will be required to sign an acknowledgement form stating that they have been made aware of the Alcohol Misuse plan and acknowledge that they have read and understand that they are subject to the requirements of this plan.

Centennial Utilities/City of Circle Pines shall provide educational materials that explain these alcohol misuse requirements and **Centennial Utilities/City of Circle Pines**'s policies and procedures with respect to meeting those requirements.

1. **Centennial Utilities/City of Circle Pines** shall ensure that a copy of these materials is distributed to each covered employee prior to start of alcohol testing under this plan, and to each person subsequently hired for or transferred to a covered position.

2. **Centennial Utilities/City of Circle Pines** shall provide written notice to representatives of employee organizations of the availability of this information.

Required content

The materials to be made available to covered employees shall include detailed discussion of at least the following:

1. The identity of the person designated by **Centennial Utilities/City of Circle Pines** to answer covered employee questions about the materials.
2. The categories of employees who are subject to the provisions of this plan.
3. Sufficient information about the covered functions performed by those employees to make clear what period of the work day the covered employee is required to be in compliance with this plan.
4. Specific information concerning covered employee conduct that is prohibited by this plan.
5. The circumstances under which a covered employee will be tested for alcohol under this plan.
6. The procedures that will be used to test for the presence of alcohol, protect the covered employee and the integrity of the breath testing process, safeguard the validity of the test results, and ensure that those results are attributed to the correct employee.
7. The requirement that a covered employee submit to alcohol tests administered in accordance with this plan.
8. An explanation of what constitutes a refusal to submit to an alcohol test and the attendant consequences.
9. The consequences for covered employees found to have violated the prohibitions under this plan, including the requirement that the employee be removed immediately from covered functions, and the procedures under §199.243.
10. The consequences for covered employees found to have an alcohol concentration of 0.02 or greater but less than 0.04.
11. Information concerning the effects of alcohol misuse on an individual's health, work, and personal life; signs and symptoms of an alcohol problem (the employee's or a coworker's); and including intervening evaluating and resolving problems associated with the misuse of alcohol including intervening when an alcohol problem is suspected, confrontation, referral to any available EAP, and/or referral to management.

Optional provisions

The materials supplied to covered employees may also include information on additional operator policies with respect to the use or possession of alcohol, including any consequences for an employee found to have a specified alcohol level, that are based on **Centennial Utilities/City of Circle Pines**'s authority independent of this plan. Any such additional policies or consequences shall be clearly described as being based on independent authority.

8.9. Alcohol concentration.

Centennial Utilities/City of Circle Pines shall prohibit a covered employee from reporting for duty or remaining on duty requiring the performance of covered functions while having an alcohol concentration of 0.04 or greater. **Centennial Utilities/City of Circle Pines** having actual knowledge that a covered employee has an alcohol concentration of 0.04 or greater shall not permit the employee to perform or continue to perform covered functions.

8.10. On-duty use.

Centennial Utilities/City of Circle Pines shall prohibit a covered employee from using alcohol while performing covered functions. If **Centennial Utilities/City of Circle Pines** has actual knowledge that a covered employee is using alcohol while performing covered functions, the employee will not be permitted to perform or continue to perform covered.

8.11. Pre-duty use.

Centennial Utilities/City of Circle Pines shall prohibit a covered employee from using alcohol within four hours prior to performing covered functions, or, if an employee is called to duty to respond to an emergency, within the time period after the employee has been notified to report for duty. If **Centennial Utilities/City of Circle Pines** has actual knowledge that a covered employee has used alcohol within four hours prior to performing covered functions or within the time period after the employee has been notified to report for duty, **Centennial Utilities/City of Circle Pines** will not permit that covered employee to perform or continue to perform covered functions.

8.12. Use following an accident.

Centennial Utilities/City of Circle Pines shall prohibit a covered employee who has actual knowledge of an accident in which his or her performance of covered functions has not been discounted by the operator as a contributing factor to the accident from using alcohol for eight hours following the accident, unless he or she has been given a post-accident test under Section 9.1, or the operator has determined that the employee's performance could not have contributed to the accident.

8.13. Refusal to submit to a required alcohol test.

Centennial Utilities/City of Circle Pines shall require a covered employee to submit to a post-accident alcohol test required under Section 9.1, a reasonable suspicion alcohol test required under Section 9.1, or a follow-up alcohol test required under Section 9.1. No operator shall permit an employee who refuses to submit to such a test to perform or continue to perform covered functions.

8.14. Requirement for notice

Before performing an alcohol test under this plan, **Centennial Utilities/City of Circle Pines** shall notify a covered employee that the alcohol test is required by this plan. **Centennial Utilities/City of Circle Pines** shall not falsely represent that a test is administered under this plan.

8.15. Preemption of State and local laws

Except as provided in paragraph (4) of this section, this plan preempts any State or local law, rule, regulation, or order to the extent that:

1. Compliance with both the State or local requirement and this part is not possible;
2. Compliance with the State or local requirement is an obstacle to the accomplishment and execution of any requirement in this part; or
3. The State or local requirement is a pipeline safety standard applicable to interstate pipeline facilities.
4. This plan will not be construed to preempt provisions of State criminal law that impose sanctions for reckless conduct leading to actual loss of life, injury, or damage to property, whether the provisions apply specifically to transportation employees or employers or to the general public.

8.16. Other requirements imposed by operators

Except as expressly provided in this plan, nothing in this plan shall be construed to affect the authority of operators, or the rights of employees, with respect to the use or possession of alcohol, including authority and rights with respect to alcohol testing and rehabilitation.

1. **Centennial Utilities/City of Circle Pines** does not conduct pre-employment alcohol testing under this plan.

8.17. General Confidentiality Rule

Centennial Utilities/City of Circle Pines is prohibited from releasing individual test results or medical information about an employee to third parties without the employee's specific written consent.

1. A "third party" is any person or organization to whom other subparts of this regulation do not explicitly authorize or require the transmission of information in the course of the drug or alcohol testing process.
2. "Specific written consent" means a statement signed by the employee that he or she agrees to the release of a particular piece of information to a particular, explicitly identified, person or organization at a particular time. "Blanket releases," in which an employee agrees to a release of a category of information (e.g., all test results) or to release information to a category of parties (e.g., other employers who are members of a C/TPA, companies to which the employee may apply for employment), are prohibited under this part.

8.18. Release of Alcohol test information

Reference(s): §40.323

Legal proceedings

Centennial Utilities/City of Circle Pines may release information pertaining to an employee's drug or alcohol test without the employee's consent in certain legal proceedings.

1. These proceedings include a lawsuit (e.g., a wrongful discharge action), grievance (e.g., an arbitration concerning disciplinary action taken by the employer), or administrative proceeding (e.g., an unemployment compensation hearing) brought by, or on behalf of, an employee and resulting from a positive DOT drug or alcohol test or a refusal to test (including, but not limited to, adulterated or substituted test results).

2. These proceedings also include a criminal or civil action resulting from an employee's performance of safety-sensitive duties, in which a court of competent jurisdiction determines that the drug or alcohol test information sought is relevant to the case and issues an order directing the employer to produce the information. For example, in personal injury litigation following a truck or bus collision, the court could determine that a post-accident drug test result of an employee is relevant to determining whether the driver or the driver's employer was negligent. The employer is authorized to respond to the court's order to produce the records.

3. In such a proceeding, **Centennial Utilities/City of Circle Pines** may release the information to the decision maker in the proceeding (e.g., the court in a lawsuit). **Centennial Utilities/City of Circle Pines** may release the information only with a binding stipulation that the decision maker to whom it is released will make it available only to parties to the proceeding.

4. **Centennial Utilities/City of Circle Pines** will immediately notify the employee in writing of any information they release under this section.

8.19. Information provided to BATs and STTs about the DER

Reference(s): §40.215

As an employer, **Centennial Utilities/City of Circle Pines** will provide to the STTs and BATs the name and telephone number of the appropriate DER (and C/TPA, where applicable) to contact about any problems or issues that may arise during the testing process.

8.20. Release of information to additional parties

Reference(s): §40.331

Centennial Utilities/City of Circle Pines will release information under the following circumstances:

1. If **Centennial Utilities/City of Circle Pines** receives a specific, written consent from an employee authorizing the release of information about that employee's drug or alcohol tests to an identified person, **Centennial Utilities/City of Circle Pines** will provide the information to the identified person.

2. **Centennial Utilities/City of Circle Pines** will, upon request of DOT agency representatives, provide the following:

   a. Access to **Centennial Utilities/City of Circle Pines** facilities used for part 40 and DOT agency drug and alcohol program functions.

   b. All written, printed, and computer-based drug and alcohol program records and reports (including copies of name-specific records or reports), files, materials, data, documents/documentation, agreements, contracts, policies, and statements that are required by this part and DOT agency

regulations. **Centennial Utilities/City of Circle Pines** must provide this information at its principal place of business in the time required by the DOT agency.

c. All items in paragraph (2.b) of this section must be easily accessible, legible, and provided in an organized manner. If electronic records do not meet these standards, they must be converted to printed documentation that meets these standards.

3. If requested by the National Transportation Safety Board as part of an accident investigation, **Centennial Utilities/City of Circle Pines** will provide information concerning post-accident tests administered after the accident.

4. If requested by a Federal, state or local safety agency with regulatory authority over **Centennial Utilities/City of Circle Pines** or the employee, **Centennial Utilities/City of Circle Pines** will provide drug and alcohol test records concerning the employee.

8.21. Use of service agents to meet DOT alcohol testing requirements

Reference(s): §40.15, §40.341

Centennial Utilities/City of Circle Pines may use a service agent to perform the tasks needed to comply with this part and DOT agency drug and alcohol testing regulations, consistent with the requirements of *Roles and Responsibilities of Service Agents (Subpart Q)* and other applicable provisions of this part.

Centennial Utilities/City of Circle Pines is responsible for ensuring that the service agents meet the qualifications set forth in this part. **Centennial Utilities/City of Circle Pines** may require service agents to show documentation that the requirements of this part are being met.

Centennial Utilities/City of Circle Pines is responsible for compliance with all applicable requirements of this part and other DOT drug and alcohol testing regulations, even when using a service agent. If **Centennial Utilities/City of Circle Pines** violates this part or other DOT alcohol testing regulations because a service agent has not provided services as the rules require, a DOT agency can subject **Centennial Utilities/City of Circle Pines** to sanctions. **Centennial Utilities/City of Circle Pines**'s good faith use of a service agent is not a defense in an enforcement action initiated by a DOT agency in which your alleged noncompliance with this part or a DOT agency drug and alcohol regulation may have resulted from the service agent's conduct.

Centennial Utilities/City of Circle Pines will not permit a service agent to act as the DER.

8.22. Obtaining information from service agents

Reference(s): §40.17

Centennial Utilities/City of Circle Pines is responsible for obtaining information required by this part from service agents. This is true whether or not **Centennial Utilities/City of Circle Pines** chooses to use a C/TPA as an intermediary in transmitting information to you.

8.23. Request for alcohol testing record from previous employer

Reference(s): §40.25

Centennial Utilities/City of Circle Pines will, after obtaining an employee's written consent, request the information listed in this section about the employee. This requirement applies only to employees seeking to begin performing safety-sensitive duties for **Centennial Utilities/City of Circle Pines** for the first time (i.e., a new hire, an employee transferring into a safety-sensitive position). If the employee refuses to provide this written consent, **Centennial Utilities/City of Circle Pines** will not permit the employee to perform safety-sensitive functions.

Centennial Utilities/City of Circle Pines will request the information listed in this paragraph from DOT-regulated employers who have employed the employee during any period during the two years before the date of the employee's application or transfer:

1. Alcohol tests with a result of 0.04 or higher alcohol concentration;

2. Verified positive drug tests;

3. Refusals to be tested (including verified adulterated or substituted drug test results); other violations of DOT agency drug and alcohol testing regulations; and with respect to any employee who violated a DOT drug and alcohol regulation, documentation of the employee's successful completion of DOT return-to-duty requirements (including follow-up tests). If the previous employer does not have information about the return-do-duty process (e.g., an employer who did not hire an employee who tested positive on a pre-employment test), **Centennial Utilities/City of Circle Pines** will seek to obtain this information from the employee.

The information obtained from a previous employer includes any drug or alcohol test information obtained from previous employers under this section or other applicable DOT agency regulations.

If feasible, **Centennial Utilities/City of Circle Pines** will obtain and review this information before the employee first performs safety-sensitive functions. If this is not feasible, **Centennial Utilities/City of Circle Pines** will obtain and review the information as soon as possible. However, **Centennial Utilities/City of Circle Pines** will not permit the employee to perform safety-sensitive functions after 30 days from the date on which the employee first performed safety-sensitive functions, unless **Centennial Utilities/City of Circle Pines** has obtained or made and documented a good faith effort to obtain this information.

If **Centennial Utilities/City of Circle Pines** obtains information that the employee has violated a DOT agency drug and alcohol regulation, **Centennial Utilities/City of Circle Pines** will not use the employee to perform safety-sensitive functions unless **Centennial Utilities/City of Circle Pines** also obtains information that the employee has subsequently complied with the return-to-duty requirements of Subpart O Part 40 and DOT agency drug and alcohol regulations.

The employee will provide to each of the employers from whom **Centennial Utilities/City of Circle Pines** request information and written consent for the release of the information cited in this section.

The release of information under this section will be in any written form (e.g., fax, e-mail, and letter) that ensures confidentiality. As the previous employer, **Centennial Utilities/City of Circle Pines** will maintain a written record of the information released, including the date, the party to whom it was released, and a summary of the information provided.

If **Centennial Utilities/City of Circle Pines** is an employer from whom information is requested under this section, **Centennial Utilities/City of Circle Pines** will, after reviewing the employee's specific, written consent, immediately release the requested information to the employer making the inquiry.

As the employer requesting the information required under this section, **Centennial Utilities/City of Circle Pines** will maintain a written, confidential record of the information **Centennial Utilities/City of Circle Pines** obtains or of the good faith efforts **Centennial Utilities/City of Circle Pines** made to obtain the information. **Centennial Utilities/City of Circle Pines** will retain this information for three years from the date of the employee's first performance of safety-sensitive duties for **Centennial Utilities/City of Circle Pines**.

Centennial Utilities/City of Circle Pines will also ask the employee whether he or she has tested positive, or refused to test, on any pre-employment drug or alcohol test administered by an employer to which the employee applied for, but did not obtain, safety-sensitive transportation work covered by DOT agency drug and alcohol testing rules during the past two years. If the employee admits that he or she had a positive test or a refusal to test, **Centennial Utilities/City of Circle Pines** will not use the employee to perform safety-sensitive functions for **Centennial Utilities/City of Circle Pines**, until and unless the employee documents successful completion of the return-to-duty process.

8.24. Procedure for Notifying Employees:

Reference(s): §199.101

This Alcohol Misuse Prevention Plan will be:

In a separate manual and will be made available and accessible to all "Covered Employees."

The Plan will be made available and accessible to all "Covered Employees" by the following method or methods selected below:

1. By providing each "Covered Employee" with a copy of the Alcohol Misuse Prevention Plan; and/or,
2. The summarized version Appendix L (Summarized Version) Anti-Drug and Alcohol Misuse Prevention Plan will indicate where a complete copy of **Centennial Utilities/City of Circle Pines**'s Alcohol Misuse Prevention Plan is available for review by the employees.

CHAPTER 9. ALCOHOL TESTING

9.1. Alcohol tests required

Centennial Utilities/City of Circle Pines shall conduct the following types of alcohol tests for the presence of alcohol:

Pre-Employment Alcohol Testing

Centennial Utilities/City of Circle Pines will conduct pre-employment alcohol testing utilizing the following procedures.

1. Conduct a pre-employment alcohol test before the first performance of covered functions by every covered employee (whether a new employee or someone who has transferred to a position involving the performance of covered functions);
2. Treat all covered employees the same for the purpose of pre-employment alcohol testing (i.e., not test some covered employees and not others);
3. Conduct the pre-employment tests after making a contingent offer of employment or transfer, subject to the employee passing the pre-employment alcohol test;
4. Conduct all pre-employment alcohol tests using alcohol testing procedures in DOT procedures; and
5. Not allow any covered employee to begin performing covered functions unless the result of the employee's test indicates an alcohol concentration of less than 0.04.

Post-Accident Testing

As soon as practicable following an accident or incident **Centennial Utilities/City of Circle Pines** shall test each surviving covered employee for alcohol if that employee's performance of a covered function either contributed to the accident or cannot be completely discounted as a contributing factor to the accident. The decision not to administer a test under this section shall be based on **Centennial Utilities/City of Circle Pines**'s determination, using the best available information at the time of the determination that the covered employee's performance could not have contributed to the accident.

1. If a test required by this section is not administered within two hours following the accident, the operator shall prepare and maintain on file a record stating the reasons the test was not promptly administered. If a test required by paragraph (a) is not administered within eight hours following the accident, the operator shall cease attempts to administer an alcohol test and shall state in the record the reasons for not administering the test.
2. A covered employee who is subject to post-accident testing who fails to remain readily available for such testing, including notifying **Centennial Utilities/City of Circle Pines** or operator representative of his/her location if he/she leaves the scene of the accident prior to submission to such test, may be deemed by **Centennial Utilities/City of Circle Pines** to have refused to submit to testing. Nothing in this section shall be construed to require the delay of necessary medical attention for injured people following an accident or to prohibit a covered employee from leaving

the scene of an accident for the period necessary to obtain assistance in responding to the accident or to obtain necessary emergency medical care.

Reasonable suspicion testing

Centennial Utilities/City of Circle Pines shall require a covered employee to submit to an alcohol test when **Centennial Utilities/City of Circle Pines** has reasonable suspicion to believe that the employee has violated the prohibitions in this plan.

Centennial Utilities/City of Circle Pines has 50 or fewer employees subject to testing under this part, and employs at least one supervisor trained in detecting possible drug use symptoms to substantiate the decision to test for reasonable cause.

1. **Centennial Utilities/City of Circle Pines**'s determination that reasonable suspicion exists to require the covered employee to undergo an alcohol test shall be based on specific, contemporaneous, articulable observations concerning the appearance, behavior, speech, or body odors of the employee. The required observations shall be made by a supervisor who is trained in detecting the symptoms of alcohol misuse. The supervisor who makes the determination that reasonable suspicion exists shall not conduct the breath alcohol test on that employee.

2. Alcohol testing is authorized by this section only if the observations required by paragraph (1) of this section are made during, just preceding, or just after the period of the workday that the employee is required to comply with this plan. A covered employee may be directed by **Centennial Utilities/City of Circle Pines** to undergo reasonable suspicion testing for alcohol only while the employee is performing covered functions; just before the employee is to perform covered functions; or just after the employee has ceased performing covered functions.

3. If a test required by this section is not administered within 2 hours following the determination under paragraph (1) of this section, **Centennial Utilities/City of Circle Pines** shall prepare and maintain on file a record stating the reasons the test was not promptly administered. If a test required by this section is not administered within 8 hours following the determination under paragraph (1) of this section, **Centennial Utilities/City of Circle Pines** shall cease attempts to administer an alcohol test and shall state in the record the reasons for not administering the test. Records shall be submitted to PHMSA upon request of the Administrator.

4. Notwithstanding the absence of a reasonable suspicion alcohol test under this section, an operator shall not permit a covered employee to report for duty or remain on duty requiring the performance of covered functions while the employee is under the influence of or impaired by alcohol, as shown by the behavioral, speech, or performance indicators of alcohol misuse, nor shall an operator permit the covered employee to perform or continue to perform covered functions, until:

4.a. An alcohol test is administered and the employee's alcohol concentration measures less than 0.02; or

4.b. The start of the employee's next regularly scheduled duty period, but not less than 8 hours following the determination under paragraph (1) of this section that there is reasonable suspicion to believe that the employee has violated the prohibitions in this plan.

5. **Centennial Utilities/City of Circle Pines** shall not take any action under this plan against a covered employee based solely on the employee's behavior and appearance in the absence of an alcohol test. This does not prohibit an operator with the authority independent of this plan from taking any action otherwise consistent with law.

Training for Supervisors

Centennial Utilities/City of Circle Pines shall ensure that persons designated to determine whether reasonable suspicion exists to require a covered employee to undergo alcohol testing under this chapter receive at least 60 minutes of training on the physical, behavioral, speech, and performance indicators of probable alcohol misuse.

Return-to-duty testing

Centennial Utilities/City of Circle Pines shall ensure that before a covered employee returns to duty requiring the performance of a covered function after engaging in conduct prohibited by this plan, the employee shall undergo a return-to-duty alcohol test with a result indicating an alcohol concentration of less than 0.02.

Follow-up testing

Following a determination under Section 9.13 that a covered employee is in need of assistance in resolving problems associated with alcohol misuse, **Centennial Utilities/City of Circle Pines** shall ensure that the employee is subject to unannounced follow-up alcohol testing as directed by a substance abuse professional in accordance with the provisions of Section 9.13.

1. Follow-up testing shall be conducted when the covered employee is performing covered functions; just before the employee is to perform covered functions; or just after the employee has ceased performing such functions.

2. Retesting of covered employees with an alcohol concentration of 0.02 or greater but less than 0.04. **Centennial Utilities/City of Circle Pines** shall retest a covered employee to ensure compliance with the provisions of Section 9.19, if an operator chooses to permit the employee to perform a covered function within 8 hours following the administration of an alcohol test indicating an alcohol concentration of 0.02 or greater but less than 0.04.

9.2. Refusal to take an alcohol test

An employee is considered to have refused to take an alcohol test if the employee:

1. Fails to appear for any test (except a pre-employment test) within a reasonable time, as determined by the employer, consistent with applicable DOT agency regulations, after being directed to do so by the employer. This includes the failure of an employee (including an owner-operator) to appear for a test when called by a C/TPA (See *Screening Test Procedures (Subpart L)* §40.241(a));

2. Fails to remain at the testing site until the testing process is complete; Provided, that an employee who leaves the collection site before the testing process commences (See *Screening Test Procedures (Subpart L)* §40.243(a)) for a pre-employment test is not deemed to have refused to test; The BAT or STT is not required to inform an employee that the failure to remain at the collection site is a refusal. If an employee leaves prior to the completion of the testing process, per § 40.355(i) the employer must decide whether the employee's actions constitute a refusal;

3. Fails to provide an adequate amount of saliva or breath for any alcohol test required by this part or DOT agency regulations; Provided, That an employee who does not provide an adequate amount of breath or saliva because he or she has left the testing site before the testing process commences (See *Screening Test Procedures (Subpart L)* §40.243(a)) for a pre-employment test is not deemed to have refused to test; The BAT or STT is not required to inform an employee that the failure to remain at the collection site is a refusal. If an employee leaves prior to the completion of the testing process, per § 40.355(i) the employer must decide whether the employee's actions constitute a refusal;

4. Fails to provide a sufficient breath specimen, and the physician has determined, through a required medical evaluation, that there was no adequate medical explanation for the failure (See *Problems in Alcohol Testing (Subpart N)* §40.265(c));

5. Fails to undergo a medical examination or evaluation, as directed by the employer as part of the insufficient breath procedures outlined in *Problems in Alcohol Testing (Subpart N)* §40.265(c);

6. Fails to sign the certification at Step 2 of the ATF (See *Screening Test Procedures (Subpart L)* and *Steps in Alcohol Confirmation Tests (Subpart M)* §§40.241(g) and 40.251(d)); or

7. Fails to cooperate with any part of the testing process.

   a. If an employee refuses to take an alcohol test, the employee will incur the same consequences specified under DOT agency regulations for a violation of those DOT agency regulations. The consequences specified under DOT agency regulations for a refusal cannot be overturned or set aside by an arbitration, grievance, State court or other non-Federal forum that adjudicates the personnel decisions the employer has taken against the employee. As a BAT or an STT, or as the physician evaluating a "shy lung" situation, when an employee refuses the test as provided in paragraph (a) of this section, the evaluator will terminate the portion of the testing process involved, document the refusal on the ATF (or in a separate document which will be attached to the form) and immediately notify the DER by any means (e.g., telephone or secure fax machine) that ensures the refusal notification is immediately received. The evaluator must make this notification directly to the DER (not using a C/TPA as an intermediary).

   b. As the BAT or STT, you must note the actions that may constitute a refusal in the ''Remarks'' line (Step 3), and sign and date the ATF. The BAT or STT does not make the final decision about whether the employee's conduct constitutes a refusal to test; the employer has the sole responsibility to decide whether a refusal occurred, as stated in § 40.355(i), the employer has a non-delegable duty to make the decision about whether the employee has refused to test.

   c. When an employee refuses to take a non-DOT test or to sign a non-DOT form, that employee has not refused to take a DOT test. There are no consequences under DOT agency regulations for such a refusal.

See *Problems in Alcohol Testing (Subpart N)*

9.3. Insufficient amount of breath for an alcohol test

If an employee does not provide a sufficient amount of breath to permit a valid breath test, **Centennial Utilities/City of Circle Pines** will take the steps listed in this section.

1. The BAT or STT must instruct the employee to attempt again to provide a sufficient amount of breath and about the proper way to do so.

   a. If the employee refuses to make the attempt, the BAT or STT will discontinue the test, note the fact on the "Remarks" line of the ATF, and immediately notify the DER. This is a refusal to test.

   b. If the employee again attempts and fails to provide a sufficient amount of breath, the BAT or STT may provide another opportunity to the employee to do so if it is believed that there is a strong likelihood that it could result in providing a sufficient amount of breath.

   c. When the employee's attempts under paragraph (1.b) of this section have failed to produce a sufficient amount of breath, the BAT or STT will note the fact on the "Remarks" line of the ATF and immediately notify the DER.

   d. If an EBT that has the capability of operating manually is used, an attempt to conduct the test in manual mode may be made.

   e. If the BAT or STT is qualified to use a saliva ASD and testing is in the screening test stage, the BAT or STT may change to a saliva ASD only to complete the screening test.

2. When the BAT or STT informs **Centennial Utilities/City of Circle Pines** that the employee has not provided a sufficient amount of breath, **Centennial Utilities/City of Circle Pines** will direct the employee to obtain, within five days, an evaluation from a licensed physician who is acceptable to and who has expertise in the medical issues raised by the employee's failure to provide a sufficient specimen.

   a. **Centennial Utilities/City of Circle Pines** will provide the physician who will conduct the evaluation with the following information and instructions:

      i. That the employee was required to take a DOT breath alcohol test, but was unable to provide a sufficient amount of breath to complete the test;

      ii. The consequences of the appropriate DOT agency regulation for refusing to take the required alcohol test;

      iii. That the physician will provide you with a signed statement of his or her conclusions; and

      iv. That the physician, in his or her reasonable medical judgment, will base those conclusions on one of the following determinations:

3. A medical condition has, or with a high degree of probability could have, precluded the employee from providing a sufficient amount of breath. The physician will not include in the signed statement detailed information on the employee's medical condition. In this case, the test is cancelled.

4. There is not an adequate basis for determining that a medical condition has, or with a high degree of probability could have, precluded the employee from providing a sufficient amount of breath. This constitutes a refusal to test.

5. For purposes of paragraphs (2) and (B) of this section, a medical condition includes an ascertainable physiological condition (e.g., a respiratory system dysfunction) or a medically documented pre-existing psychological disorder, but does not include unsupported assertions of "situational anxiety" or hyperventilation.

6. The physician making the evaluation, after making the determination, will provide a written statement of the conclusions and the basis for them to the DER directly (and not through a C/TPA acting as an intermediary). Detailed information on the employee's medical condition beyond what is necessary to explain the conclusions must not be included in this statement.

7. Upon receipt of the report from the examining physician, the DER will immediately inform the employee and take appropriate action based upon DOT agency regulations.

See Appendix Z, *Problems in Alcohol Testing (Subpart N)*

9.4. Cancellation of an Alcohol Test

1. **Centennial Utilities/City of Circle Pines** will cancel an alcohol test if any of the following problems occur, unless they are corrected. These are "correctable flaws." These problems are:

   a. The BAT or STT does not sign the ATF (See *Screening Test Procedures (Subpart L)* §40.247(a)(1) and *Steps in Alcohol Confirmation Tests (Subpart M)* §40.255(a)(1)).

   b. The BAT or STT fails to note on the "Remarks" line of the ATF that the employee has not signed the ATF after the result is obtained (See *Steps in Alcohol Confirmation Tests (Subpart M)* §40.255(a)(3)).

   c. The BAT or STT uses a non-DOT form for the test (See *Testing Sites, Forms, Equipment and Supplies Used in Alcohol Testing (Subpart K)* §40.225(a)).

2. A cancelled alcohol test is neither positive nor negative.

   a. The employer, will not attach to a cancelled test the consequences of a test result that is 0.02 or greater (e.g., removal from a safety-sensitive position).

   b. The employer, will not use a cancelled test in a situation where an employee needs a test result that is below 0.02 (e.g., in the case of a return-to-duty or follow-up test to authorize the employee to perform safety-sensitive functions).

   c. The employer, will not direct a recollection for an employee because a test has been cancelled, except in the situations cited in paragraph (2.b) of this section or other provisions of this part.

   A cancelled test does not count toward compliance with DOT requirements, such as a minimum random testing rate.

   When a test must be cancelled, the BAT, STT, or other person who determines that the cancellation is necessary, will inform the affected DER within 48 hours of the cancellation.

A cancelled DOT test does not provide a valid basis for an employer to conduct a non-DOT test (i.e., a test under company authority).

3. **Centennial Utilities/City of Circle Pines**, when aware, will document any errors in the testing process, even if they are not "fatal flaws" or "correctable flaws" listed in this subpart. Decisions about the ultimate impact of these errors will be determined by administrative or legal proceedings, subject to the limitation of paragraph (a) of this section.

   (a) No person concerned with the testing process may declare a test cancelled based on a mistake in the process that does not have a significant adverse effect on the right of the employee to a fair and accurate test. For example, it is inconsistent with this part to cancel a test based on a minor administrative mistake (e.g., the omission of the employee's middle initial) or an error that does not affect employee protections under this part. Nor does the failure of an employee to sign in Step 4 of the ATF result in the cancellation of the test. Nor is a test to be cancelled on the basis of a claim by an employee that he or she was improperly selected for testing.

   (b) As an employer, these errors, even though not sufficient to cancel an alcohol test result, may subject **Centennial Utilities/City of Circle Pines** to enforcement action under DOT agency regulations.

See *Problems in Alcohol Testing (Subpart N)*

9.5. Alcohol Screening Test Procedures

The BAT or STT will take the following steps to begin all alcohol screening tests, regardless of the type of testing device being used:

1. When a specific time for an employee's test has been scheduled, or the collection site is at the employee's worksite, and the employee does not appear at the collection site at the scheduled time, contact the DER to determine the appropriate interval within which the DER has determined the employee is authorized to arrive. If the employee's arrival is delayed beyond that time, the BAT or STT must notify the DER that the employee has not reported for testing. In a situation where a C/TPA has notified an owner/operator or other individual employee to report for testing and the employee does not appear, the C/TPA must notify the employee that he or she has refused to test.

2. Ensure that, when the employee enters the alcohol testing site, the alcohol testing process begins without undue delay. Do not wait because the employee says he or she is not ready or because an authorized employer or employee representative is delayed in arriving.

   a. If the employee is also going to take a DOT drug test, the BAT or STT will, to the greatest extent practicable, ensure that the alcohol test is completed before the urine collection process begins.

   b. If the employee needs medical attention (e.g., an injured employee in an emergency medical facility who is required to have a post-accident test), do not delay this treatment to conduct a test.

3. Require the employee to provide positive identification. A photo ID issued by the employer (other than in the case of an owner-operator or other self-employed individual) or a Federal, state, or local government (e.g., a driver's license) must be seen. Faxes or photocopies of identification are not acceptable. Positive identification by an employer representative (not a co-worker or another

employee being tested) is also acceptable. If the employee cannot produce positive identification, contact a DER to verify the identity of the employee.

4. If the employee asks, provide identification to the employee. This identification must include name and employer's name but is not required to include picture, address, or telephone number.
5. Explain the testing procedure to the employee, including showing the employee the instructions on the back of the ATF.
6. Complete Step 1 of the ATF.
7. Direct the employee to complete Step 2 on the ATF and sign the certification. If the employee refuses to sign this certification, you must document this refusal on the "Remarks" line of the ATF and immediately notify the DER. This is a refusal to test.

See *Steps in Alcohol Confirmation Tests (Subpart M)*.

9.6. Devices used to conduct alcohol screening tests

EBTs and ASDs on the NHTSA conforming products lists (CPL) for evidential and non-evidential devices are the only devices you are allowed to use to conduct alcohol screening tests under this part. An ASD that is on the NHTSA CPL for DOT alcohol tests may be used only if there are instructions for its use in this plan. An ASD can be used only for screening tests for alcohol, and may not be used for confirmation tests.

See https://www.samhsa.gov/workplace/drug-testing-resources/certified-lab-list, *Current List of Conforming Products List of Screening Devices*.

9.7. Procedure for screening test using an EBT or non-evidential breath ASD

Reference(s): §40.243

The BAT or STT, will take the following steps:

1. Select, or allow the employee to select, an individually wrapped or sealed mouthpiece from the testing materials.
2. Open the individually wrapped or sealed mouthpiece in view of the employee and insert it into the device in accordance with the manufacturer's instructions.
3. Instruct the employee to blow steadily and forcefully into the mouthpiece for at least six seconds or until the device indicates that an adequate amount of breath has been obtained.
4. Show the employee the displayed test result.
5. If the device is one that prints the test number, testing device name and serial number, time, and result directly onto the ATF, check to ensure that the information has been printed correctly onto the ATF.
6. If the device is one that prints the test number, testing device name and serial number, time and result, but on a separate printout rather than directly onto the ATF, affix the printout of the

information to the designated space on the ATF with tamper-evident tape or use a self-adhesive label that is tamper-evident.

7. If the device is one that does not print the test number, testing device name and serial number, time, and result, or it is a device not being used with a printer, record this information in Step 3 of the ATF.

9.8. Procedure for screening test using a saliva ASD or a breath tube ASD

See , *Screening Test Procedures (Subpart L)*.

9.9. Procedures the BAT or STT follow after a screening test result

Reference(s): §40.247

If the screening test result shows an alcohol concentration of less than 0.02, the BAT or STT must sign and date the ATF and confidentially transmit the result to the DER. If the result is 0.02 or higher, the employee must take a confirmation test, and depending on whether the same BAT will conduct it, specific procedures follow, including providing ATF copies and giving detailed instructions if the confirmation test occurs at a different site—such as avoiding food or drink, explaining the waiting period, and ensuring the employee is observed during transport. If the screening test is invalid, the BAT or STT must inform the employee, document the issue on the ATF, and, if possible, repeat the test.

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See *Screening Test Results Procedures (Subpart L)*.

9.10. Screening test technicians / Breath alcohol technicians)

Screening test technicians (STTs) and breath alcohol technicians (BATs) meeting their respective requirements of this plan are the only people authorized to conduct DOT alcohol tests.

1. An STT can conduct only alcohol screening tests, but a BAT can conduct alcohol screening and confirmation tests.

2. As a BAT- or STT-qualified immediate supervisor of a particular employee, **Centennial Utilities/City of Circle Pines** may not act as the STT or BAT when that employee is tested, unless no other STT or BAT is available and DOT agency regulations do not prohibit them from doing so.

See , *Steps in Alcohol Confirmation Tests (Subpart M).*

9.11. Devices used to conduct alcohol confirmation tests

Reference(s): §40.231

EBTs on the NHTSA CPL for evidential devices that meet the requirements of paragraph (b) of this section are the only devices that may be used to conduct alcohol confirmation tests under this part. Note that, among devices on the CPL for EBTs, only those devices listed without an asterisk (*) are authorized for use in confirmation testing in the DOT alcohol testing program.

To conduct a confirmation test, use an EBT that has the following capabilities:

1. Provides a printed triplicate result (or three consecutive identical copies of a result) of each breath test;

2. Assigns a unique number to each completed test, which the BAT and employee can read before each test and which is printed on each copy of the result;

3. Prints, on each copy of the result, the manufacturer's name for the device, its serial number, and the time of the test;

4. Distinguishes alcohol from acetone at the 0.02 alcohol concentration level;

5. Tests an air blank; and

6. Performs an external calibration check.

See https://www.transportation.gov/odapc/approved-evidential-breath-testing-devices, *Current List of Conforming Products List of Evidential Breath Alcohol Measurement Devices*.

9.12. Alcohol Testing Personnel

Centennial Utilities/City of Circle Pines will ensure that the training and usage of alcohol testing personnel is in compliance with the applicable requirements of Part 40.

Qualifications for Alcohol Misuse Prevention Programs position are found in *Training Requirements for STT's and BAT's (Subpart J)* and *Substance Abuse Professionals and the Return to Duty Process (Subpart O)*.

See , *Training Requirements for STT's and BAT's (Subpart J)*.

See *Testing Sites, Forms, Equipment and Supplies Used in Alcohol Testing (Subpart K)*, §40.221, §40.223, §40.225, §40.227, §40.229, §40.231, §40.233, §40.235

See *Steps in Alcohol Confirmation Tests (Subpart M)*, §40.251, §40.253, §40.255

9.13. Referral, evaluation, and treatment

Reference(s): §199.243

Each covered employee who has engaged in conduct prohibited by this plan shall be advised of the resources available to the covered employee in evaluating and resolving problems associated with the misuse of alcohol, including the names, addresses, and telephone numbers of substance abuse professionals and counseling and treatment programs.

1. Each covered employee who engages in conduct prohibited in this plan shall be evaluated by a substance abuse professional who shall determine what assistance, if any, the employee needs in resolving problems associated with alcohol misuse.

2. Before a covered employee returns to duty requiring the performance of a covered function after engaging in conduct prohibited by this plan, the employee shall undergo a return-to-duty alcohol test with a result indicating an alcohol concentration of less than 0.02.

3. In addition, each covered employee identified as needing assistance in resolving problems associated with alcohol misuse—

a. Shall be evaluated by a substance abuse professional to determine that the employee has properly followed any rehabilitation program prescribed under paragraph (b) of this section, and

b. Shall be subject to unannounced follow-up alcohol tests administered by **Centennial Utilities/City of Circle Pines** following the employee's return to duty. The number and frequency of such follow-up testing shall be determined by a substance abuse professional, but shall consist of at least six tests in the first 12 months following the employee's return to duty. In addition, follow-up testing may include testing for drugs, as directed by the substance abuse professional, to be performed in accordance with 49 CFR part 40. Follow-up testing shall not exceed 60 months from the date of the employee's return to duty. The substance abuse professional may terminate the requirement for follow-up testing at any time after the first six tests have been administered, if the substance abuse professional determines that such testing is no longer necessary.

4. Evaluation and rehabilitation may be provided by **Centennial Utilities/City of Circle Pines**, by a substance abuse professional under contract with **Centennial Utilities/City of Circle Pines**, or by a substance abuse professional not affiliated with **Centennial Utilities/City of Circle Pines**. The choice of substance abuse professional and assignment of costs shall be made in accordance with **Centennial Utilities/City of Circle Pines**'s employee agreements and operator/employee policies.

5. **Centennial Utilities/City of Circle Pines** shall ensure that a substance abuse professional who determines that a covered employee requires assistance in resolving problems with alcohol misuse does not refer the employee to the substance abuse professional's private practice or to a person or organization from which the substance abuse professional receives remuneration or in which the substance abuse professional has a financial interest. This paragraph does not prohibit a substance abuse professional from referring an employee for assistance provided through—

   a. A public agency, such as a State, county, or municipality;

   b. **Centennial Utilities/City of Circle Pines** or a person under contract to provide treatment for alcohol problems on behalf of **Centennial Utilities/City of Circle Pines**;

   c. The sole source of therapeutically appropriate treatment under the employee's health insurance program; or

   d. The sole source of therapeutically appropriate treatment reasonably accessible to the employee.

9.14. Forms used for an alcohol test

The DOT Alcohol Testing Form (ATF) will be used for every DOT alcohol test beginning February 1, 2002. The ATF must be a three-part carbonless manifold form. A link to the ATF is found in Appendix AA, *DOT Alcohol Testing Form (ATF)*. View this form on the ODAPC web site (http://www.transportation.gov/odapc).

As an employer in the DOT alcohol testing program, it is not permitted to modify or revise the ATF except as follows:

1. Inclusion of other information needed for billing purposes, outside the boundaries of the form.

2. Use of an ATF directly generated by an EBT which omits the space for affixing a separate printed result to the ATF, provided the EBT prints the result directly on the ATF.
3. Use of an ATF that has the employer's name, address, and telephone number preprinted. In addition, a C/TPA's name, address, and telephone number may be included, to assist with negative results.
4. Use of an ATF in which all pages are printed on white paper. The ATF may modify by using colored paper, or have clearly discernable borders or designation statements on Copy 2 and Copy 3. When colors are used, they must be green for Copy 2 and blue for Copy 3.
5. As a BAT or STT, the name of the DOT agency under whose authority the test occurred may be added on the "Remarks" line of the ATF.
6. As a BAT or STT, an ATF that has name, address, and telephone number preprinted may be used, but under no circumstances can the signature be preprinted.

The employer, may use an equivalent foreign-language version of the ATF approved by ODAPC. Such non-English language form may be used only in a situation where both the employee and BAT/STT understand and can use the form in that language.

9.15. Retention of records

Reference(s): §199.227

Centennial Utilities/City of Circle Pines shall maintain records of its alcohol misuse prevention program as provided in this section. The records shall be maintained in a secure location with controlled access.

1. **Centennial Utilities/City of Circle Pines** shall maintain the records in accordance with the following schedule:
   - 1 YEAR
     - Records of all test results below 0.02 (as defined in 49 CFR Part 40)
   - 2 YEARS
     - Records related to the collection process (except calibration of evidential breath testing devices), and training.
   - 3 YEARS
     - Information obtained from previous employers under Part 40.25 concerning alcohol test results of employees
     - Records of decisions not to administer post-accident employee alcohol tests
   - 5 YEARS
     - Records of alcohol test results indicating an alcohol concentration of 0.02 or greater
     - Documentation of refusals to take required alcohol tests

- SAP reports
- All follow up tests and schedules for follow up tests
- MIS annual report data
- Calibration Documentation

2. Types of records. The following specific records shall be maintained:
   a. Records related to the collection process:
      i. Collection log books, if used.
      ii. Calibration documentation for evidential breath testing devices.
3. Documentation of breath alcohol technician training.
4. Documents generated in connection with decisions to administer reasonable suspicion alcohol tests.
5. Documents generated in connection with decisions on post- accident tests.
6. Documents verifying existence of a medical explanation of the inability of a covered employee to provide adequate breath for testing.
7. Records related to test results:
   a. **Centennial Utilities/City of Circle Pines**'s copy of the alcohol test form, including the results of the test.
8. Documents related to the refusal of any covered employee to submit to an alcohol test required by this plan.
9. Documents presented by a covered employee to dispute the result of an alcohol test administered under this plan.
10. Records related to other violations of this plan.
11. Records related to evaluations:
12. Records pertaining to a determination by a substance abuse professional concerning a covered employee's need for assistance.
13. Records concerning a covered employee's compliance with the recommendations of the substance abuse professional.
14. Record(s) related to **Centennial Utilities/City of Circle Pines**'s MIS annual testing data.
15. Records related to education and training:
    a. Materials on alcohol misuse awareness, including a copy of **Centennial Utilities/City of Circle Pines**'s policy on alcohol misuse.

16. Documentation of compliance with the requirements of §199.231.

17. Documentation of training provided to supervisors for the purpose of qualifying the supervisors to make a determination concerning the need for alcohol testing based on reasonable suspicion.

18. Certification that any training conducted under this plan complies with the requirements for such training.

9.16. Reporting of alcohol testing results

Reference(s): §199.229

Centennial Utilities/City of Circle Pines has 50 or less covered employees and has either a compilation of data or statistical information regarding drug and alcohol testing. The Administrator may require by notice in the PHMSA Portal (https://portal.phmsa.dot.gov/phmsaportallanding) to prepare and submit annual MIS report in accordance with the form and instruction requirements of Drug Alcohol Testing MIS Form not later than March 15 of each year for the prior calendar year (January 1 through December 31).

1. When **Centennial Utilities/City of Circle Pines** has a covered employee who performs multi-DOT agency functions (e.g., an employee performs pipeline maintenance duties and drives a commercial motor vehicle), they will count the employee only on the MIS report for the DOT agency under which he or she is tested. Normally, this will be the DOT agency under which the employee performs more than 50% of his or her duties. Note: Be prepared to explain the testing data for these employees in the event of a DOT agency inspection or audit.

2. Each report required under this section must be submitted electronically at http://damis.dot.gov.

   Centennial Utilities/City of Circle Pines may obtain the user name and password needed for electronic reporting from the PHMSA Portal (https://portal.phmsa.dot.gov/phmsaportallanding).

   If electronic reporting imposes an undue burden and hardship, **Centennial Utilities/City of Circle Pines** may submit a written request for an alternative reporting method to the

   Information Resources Manager,

   Office of Pipeline Safety,

   Pipeline and Hazardous Materials Safety Administration,

   1200 New Jersey Avenue, SE,

   Washington, DC 20590.

   The request must describe the undue burden and hardship.

   PHMSA will review the request and may authorize, in writing, an alternative reporting method. An authorization will state the period for which it is valid, which may be indefinite. An operator must contact PHMSA at 202-366-8075, or electronically to informationresourcesmanager@dot.gov to make arrangements for submitting a report that is due after a request for alternative reporting is submitted but before an authorization or denial is received.

3. A service agent (e.g., Consortia/Third Party Administrator as defined in part 40) may prepare the MIS report on behalf of **Centennial Utilities/City of Circle Pines**. However, each report shall be certified by **Centennial Utilities/City of Circle Pines**'s Designated Employer Representative (DER) for accuracy and completeness.

9.17. Access to facilities and records

Reference(s): §199.231

Except as required by law or expressly authorized or required in this plan, **Centennial Utilities/City of Circle Pines** will not release covered employee information that is contained in records required to be maintained by this plan.

1. A covered employee is entitled, upon written request, to obtain copies of any records pertaining to the employee's use of alcohol, including any records pertaining to his or her alcohol tests. **Centennial Utilities/City of Circle Pines** shall promptly provide the records requested by the employee. Access to an employee's records shall not be contingent upon payment for records other than those specifically requested.

2. **Centennial Utilities/City of Circle Pines** shall permit access to all facilities utilized in complying with the requirements of this plan to the Secretary of Transportation, any DOT agency, or a representative of a state agency with regulatory authority over **Centennial Utilities/City of Circle Pines**.

3. **Centennial Utilities/City of Circle Pines** shall make available copies of all results for employer alcohol testing conducted under this plan and any other information pertaining to **Centennial Utilities/City of Circle Pines**'s alcohol misuse prevention program, when requested by the Secretary of Transportation, any DOT agency with regulatory authority over **Centennial Utilities/City of Circle Pines**, or a representative of a state agency with regulatory authority over **Centennial Utilities/City of Circle Pines**. The information shall include name-specific alcohol test results, records, and reports.

4. When requested by the National Transportation Safety Board as part of an accident investigation, **Centennial Utilities/City of Circle Pines** shall disclose information related to **Centennial Utilities/City of Circle Pines**'s administration of any post- accident alcohol tests administered following the accident under investigation.

5. **Centennial Utilities/City of Circle Pines** shall make records available to a subsequent employer upon receipt of the written request from the covered employee. Disclosure by the subsequent employer is permitted only as expressly authorized by the terms of the employee's written request.

6. **Centennial Utilities/City of Circle Pines** may disclose information without employee consent as provided by DOT Procedures concerning certain legal proceedings.

7. **Centennial Utilities/City of Circle Pines** shall release information regarding a covered employee's records as directed by the specific, written consent of the employee authorizing release of the information to an identified person. Release of such information by the person receiving the information is permitted only in accordance with the terms of the employee's consent.

9.18. Required evaluation and testing

Reference(s): §199.235

Centennial Utilities/City of Circle Pines shall not permit a covered employee who has engaged in conduct prohibited by Section 8.9 through Section 8.13 to perform covered functions unless the employee has met the requirements of Section 9.13.

9.19. Other alcohol-related conduct

Reference(s): §199.237

Centennial Utilities/City of Circle Pines shall not permit a covered employee tested under the provisions of §199.225, who is found to have an alcohol concentration of 0.02 or greater but less than 0.04, to perform or continue to perform covered functions, until:

1. The employee's alcohol concentration measures less than 0.02 in accordance with a test administered under Section 9.1; or
2. The start of the employee's next regularly scheduled duty period, but not less than eight hours following administration of the test.
3. Except as provided in paragraph (1) of this section, **Centennial Utilities/City of Circle Pines** shall not take any action under this plan against an employee based solely on test results showing an alcohol concentration less than 0.04. This does not prohibit **Centennial Utilities/City of Circle Pines** from taking any action otherwise consistent with law.

9.20. Where does an alcohol test take place

a. A DOT alcohol test must take place at an alcohol testing site meeting the requirements of this section.

b. If you are operating an alcohol testing site, you must ensure that it meets the security requirements of *Testing Sites, Forms, Equipment and Supplies Used in Alcohol Testing (Subpart K)* §40.223.

c. When operating an alcohol testing site, **Centennial Utilities/City of Circle Pines** will ensure that it provides visual and aural privacy to the employee being tested, sufficient to prevent unauthorized persons from seeing or hearing test results.

d. When operating an alcohol testing site, **Centennial Utilities/City of Circle Pines** will ensure that it has all needed personnel, materials, equipment, and facilities to provide for the collection and analysis of breath and/or saliva samples, and a suitable clean surface for writing.

e. If an alcohol testing site fully meeting all the visual and aural privacy requirements of paragraph (c) is not readily available, this part allows a reasonable suspicion or post-accident test to be conducted at a site that partially meets these requirements. In this case, the site must afford visual and aural privacy to the employee to the greatest extent practicable.

f. An alcohol testing site can be in a medical facility, a mobile facility (e.g., a van), a dedicated collection facility, or any other location meeting the requirements of this section.

9.21. Protecting the security of alcohol testing sites

Centennial Utilities/City of Circle Pines will prevent unauthorized personnel from entering the testing site.

1. The only authorized persons are employees being tested, BATs, STTs, and other alcohol testing site workers, DERs, employee representatives authorized by the employer (e.g., on the basis of employer policy or labor-management agreement), and DOT agency representatives.
2. **Centennial Utilities/City of Circle Pines** will ensure that all persons are under the supervision of a BAT or STT at all times when permitted into the site.
3. **Centennial Utilities/City of Circle Pines** will remove any person who obstructs, interferes with, or causes unnecessary delay in the testing process.
4. **Centennial Utilities/City of Circle Pines** will not allow any person other than the employee, or a DOT agency representative to actually witness the testing process (see *Screening Test Procedures (Subpart L)* §40.241 through §40.255).
5. **Centennial Utilities/City of Circle Pines** will ensure that when an EBT or ASD is not being used for testing, it is stored in a secure place.
6. **Centennial Utilities/City of Circle Pines** will ensure that no one other than BATs or other employees of the site have access to the site when an EBT is unsecured.
7. To avoid distraction that could compromise security, the BAT or STT is limited to conducting an alcohol test for only one employee at a time.

When an EBT screening test on an employee indicates an alcohol concentration of 0.02 or higher, and the same EBT will be used for the confirmation test, **Centennial Utilities/City of Circle Pines** is not allowed to use the EBT for a test on another employee before completing the confirmation test on the first employee.

As a BAT who will conduct both the screening and the confirmation test, complete the entire screening and confirmation process on one employee before starting the screening process on another employee.

It is not allowed to leave the alcohol testing site while the testing process for a given employee is in progress, except to notify a supervisor or contact a DER for assistance in the case an employee or other person who obstructs, interferes with, or unnecessarily delays the testing process.

9.22. Cancelled Alcohol Test

Centennial Utilities/City of Circle Pines, a BAT, or an STT, will cancel an alcohol test if any of the following problems occur. These are "fatal flaws." **Centennial Utilities/City of Circle Pines** will inform the DER that the test was cancelled and must be treated as if the test never occurred. These problems are:

1. In the case of a screening test conducted on a saliva ASD or a breath tube ASD:

a. The STT or BAT reads the result either sooner than or later than the time allotted by the manufacturer and this Part (See *Screening Test Procedures (Subpart L)* §40.245(a)(8) for the saliva ASD and §40.245(b)(8) for the breath tube ASD).

b. The saliva ASD does not activate (See Appendix W, *Screening Test Procedures (Subpart L)* §40.245(a)(7); or

c. The device is used for a test after the expiration date printed on the device or on its package (See *Screening Test Procedures (Subpart L)* §40.245(a)(1) for the saliva ASD and §40.245(b)(1) for the breath tube ASD).

d. The breath tube ASD is tested with an analyzer which has not been pre-calibrated for that device's specific lot (See *Screening Test Procedures (Subpart L)* §40.245(b)(1)).

2. In the case of a screening or confirmation test conducted on an EBT, the sequential test number or alcohol concentration displayed on the EBT is not the same as the sequential test number or alcohol concentration on the printed result (See *Steps in Alcohol Confirmation Tests (Subpart M)* §40.253(c), (e) and (f)).

3. In the case of a confirmation test:

a. The BAT conducts the confirmation test before the end of the minimum 15-minute waiting period (See *Steps in Alcohol Confirmation Tests (Subpart M)* §40.251(a)(1));

b. The BAT does not conduct an air blank before the confirmation test (See *Steps in Alcohol Confirmation Tests (Subpart M)* §40.253(a));

c. There is not a 0.00 result on the air blank conducted before the confirmation test (See *Steps in Alcohol Confirmation Tests (Subpart M)* §40.253(a)(1) and (2));

d. The EBT does not print the result (See *Steps in Alcohol Confirmation Tests (Subpart M)* §40.253(f)); or

e. The next external calibration check of the EBT produces a result that differs by more than the tolerance stated in the QAP from the known value of the test standard. In this case, every result of 0.02 or above obtained on the EBT since the last valid external calibration check is cancelled (See *Testing Sites, Forms, Equipment and Supplies Used in Alcohol Testing (Subpart K)* §40.233(a)(1) and (c)(3)).

9.23. Use of ATF for non-DOT tests, or non-DOT forms for DOT tests

Reference(s): §40.227

The employer, BAT, and STT, are prohibited from using the ATF for non-DOT alcohol tests. Each are also prohibited from using non-DOT forms for DOT alcohol tests. Doing either may result in enforcement action under DOT agency regulations.

If the STT or BAT, either by mistake, or as the only means to conduct a test under difficult circumstances (e.g., post-accident test with insufficient time to obtain the ATF), uses a non-DOT form for a DOT test, the use of a non-DOT form does not, in and of itself, require the employer or service agent to cancel

the test. However, in order for the test to be considered valid, a signed statement must be obtained from the STT or BAT in accordance with *Problems in Alcohol Testing (Subpart N)* §40.271(b).

9.24. Educational Material

Reference(s): §199.239

Centennial Utilities/City of Circle Pines will provide educational materials that explain the alcohol misuse requirements and Operator's Name's policies and procedures with respect to meeting the requirements.

Centennial Utilities/City of Circle Pines shall ensure that a copy of these materials is distributed to each covered employee prior to start of alcohol testing under Section 8.8, and to each person subsequently hired for or transferred to a covered position.

Centennial Utilities/City of Circle Pines shall provide written notice to representatives of employee organizations of the availability of this information.

The materials to be made available to covered employees (**Centennial Utilities/City of Circle Pines**'s are included in Appendix I, *Educational Material*) shall include detailed discussion of at least the following:

1. The identity of the person designated by **Centennial Utilities/City of Circle Pines** to answer covered employee questions about the materials.
2. The categories of employees who are subject to the provisions.
3. Sufficient information about the covered functions performed by those employees to make clear what period of the work day the covered employee is required to be in compliance.
4. Specific information concerning covered employee conduct that is prohibited.
5. The circumstances under which a covered employee will be tested for alcohol.
6. The procedures that will be used to test for the presence of alcohol, protect the covered employee and the integrity of the breath testing process, safeguard the validity of the test results, and ensure that those results are attributed to the correct employee.
7. The requirement that a covered employee submit to alcohol tests.
8. An explanation of what constitutes a refusal to submit to an alcohol test and the attendant consequences.
9. The consequences for covered employees found to have violated the prohibitions, including the requirement that the employee be removed immediately from covered functions and the procedures under Section 9.
10. The consequences for covered employees found to have an alcohol concentration of 0.02 or greater but less than 0.04.
11. Information concerning the effects of alcohol misuse on an individual's health, work, and personal life; signs and symptoms of an alcohol problem (the employee's or coworker's); and including

intervening evaluating and resolving problems associated with the misuse of alcohol including intervening when an alcohol problem is suspected, confrontation, referral to any available EAP, and/or referral to management.

CHAPTER 10. SIF DRUG AND ALCOHOL REFERENCE MATRIX

Against Inspection PHMSA form "January 2023

Drug and Alcohol - General Program Requirements

Drug and Alcohol - General Program Requirements

1. Designated Employer Representative (DER) *Has the operator appointed a company employee as the Designated Employer Representative (DER)?* (DA.GENERAL.DER.R)

40.3 (40.15(d);40.355(k))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

Chapter 2. Contact Information: Table

2.4. Designated Employer Representative

Appendix: L Summarized Version, Designated Employee Representative Address

2. Operator Oversight of Service Agents *Does the process ensure the operator remains responsible for the actions of all its service agents, including a Consortium/Third Party Administrator (C/TPA)?* (DA.GENERAL.SERVICEAGENTOVERSIGHT.P)

40.11(b) (40.11(c);40.15(c);40.341(a);40.355(a);40.355(m);40.355(n))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

3.1. Employer Responsibilities

5. (Operator Name) Gas System will not permit a service agent to act as the DER.

3. Covered Employees *Does the process result in the proper and complete identification of covered employees and the exclusion of non-covered employees?* (DA.GENERAL.COVEREDEMPLOYEES.P)

199.3 (199.1;40.347(b)(2))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:
Chapter 1. Definitions

26. Covered Employee, Employee, or Individual to be Tested (§199.3) Means a person who performs a covered function, including person employed by operators, contractors engaged by operators and persons employed by such contractors.

27. Covered Function (Safety Sensitive Functions) (§199.3) Means an operations, maintenance, or emergency response function regulated by Part 192, 193, or 195 that is performed on a pipeline or an LNG facility.

Chapter 4 4.6

4. Previous Employer DOT D&A Record Checks *Does the process include previous employer DOT D&A record checks for employees seeking to perform covered functions for the first time (i.e., a new hire or an employee transferring into a safety-sensitive position)?* (DA.GENERAL.PREVIOUSEMPLOYERRECORDS.P)

40.25(a) (40.25(b);40.25(c);40.25(d);40.25(e);40.25(f);40.25(g);40.27;40.321(b);40.351(d))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

4.6. Request For Drug And Alcohol Testing Record From Previous Employer

Reference(s): §40.25

6.1

5. DOT vs. Non-DOT D&A Tests *Does the process separate and prioritize DOT drug and alcohol testing over all non-DOT drug and alcohol testing?* (DA.GENERAL.NONDOTTESTS.P)

40.13(a) (40.13(b))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

8.7. DOT drug and alcohol tests in relation to non-DOT tests

Reference(s): §40.13

6. Operator Oversight of Contractor D&A Programs *If a contractor performs covered functions on the pipeline and is allowed to have its own D&A Programs, does the process ensure the contractor fully complies with Parts 199 and 40?* (DA.GENERAL.CONTRACTOROVERSIGHT.P)

199.115 (199.115(a);199.115(b);199.245(a);199.245(b);199.245(c))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

Chapter 7. Contractor Monitoring 7.1. Contractor Employees- Contractor compliance verification process is included in Appendix EE, as an Operator Company Policy

7.1. Contractor Employees 1.b. The contractor allows access to property and records by Operator, the Administrator, and if Operator is subject to the jurisdiction of a state agency, a representative of the state agency for the purpose of monitoring Operator's compliance with the requirements of this part. See Appendix H, Roles and Responsibilities of Service Agents (Subpart Q)

7. Reporting of Annual D&A Test Results to PHMSA *Does the process ensure D&A MIS reports are submitted annually to PHMSA as required?* (DA.GENERAL.MISREPORTS.P)

199.119(a) (199.3;199.119(f);199.229(a);199.229(d);40.26)

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

3.2. Management Information System (MIS) Data,4.13. Reporting Of Anti-Drug Testing Results Reference(s): §199.119,9.16. Reporting of alcohol testing results Reference(s): §199.229

9.16. Reporting of alcohol testing results Reference(s): §199.229

3.2. Management Information System (MIS) Data

9.16. Reporting of alcohol testing results

Reference(s): §199.229

Drug and Alcohol - Anti-Drug Program

1. Written Anti-Drug Plan *Is a written Anti-Drug Plan in place and maintained that conforms to the requirements of Part 199 and Part 40?* (DA.DRUG.PLAN.P)

199.101(a) (199.101(a)(1);199.101(a)(2);199.101(a)(3);199.101(a)(4))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

3.12. Procedure For Notifying Employees: Reference(s): §199.101This Anti-Drug plan will be:

Chapter 5. Employee Assistance Program (EAP)

Table 2.2. Certified Laboratory

Table 2.6. Medical Review Officer

3.12. Procedure For Notifying Employees: Reference(s): §199.101This Anti-Drug plan will be:

2. Qualification Requirements *Do records indicate that Anti-Drug program positions and/or service agents meet the applicable qualification requirements of Part 40 and Part 199?*
(DA.DRUG.SERVICEAGENTQUAL.R)

199.5 (199.107(a);199.109(b);40.33;40.81(a);40.121;40.281)

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

This is a records check. Verify that documentation is on hand to confirm that positions and/or service agents meet the applicable qualification requirements of Part 40 and Part 199

3.1. Employer Responsibilities:

3. Operator is responsible for ensuring that the service agents meet the qualifications set forth in this part (e.g., §40.121 for MROs). Operator may require service agents to show documentation that they meet the requirements of this part (e.g., documentation of MRO qualifications required by §40.121(e)). Qualification for service agents are found in Substance Abuse Professionals and the Return to Duty Process (Subpart O), Urine Collection Personnel (Subpart C) and Medical Review Officers and the Verification Process (Subpart G).

Chapter 2. Contact Information Table 2.6. Medical Review Officer

3.11. Review Of Drug Testing Results Reference(s): §199.109

9.12. Alcohol Testing Personnel Reference(s): §40.213

Chapter 2. Contact Information Table 2.9. Substance Abuse Professional Substance Abuse Professionals and the Return to Duty Process (Subpart O) §40.281 Who is qualified to act as a SAP?

Drug Testing Laboratories (Subpart F) §40.81

Chapter 2. Contact Information Table 2.2. Certified Laboratory

Chapter 2. Contact Information Table 2.8. Screen Test Technician

Chapter 2. Contact Information Table 2.1. Breath Alcohol Technician

3. Prohibited Drugs *Does the process require that DOT drug tests are only conducted for the "prohibited drugs" specified in Part 40?* (DA.DRUG.PROHIBITEDDRUGS.P)

199.3 (40.3)

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

Chapter 1. Definitions 31. Drugs - (§40.3) The drugs for which tests are required under this part and DOT agency regulations are marijuana, cocaine, amphetamines, phencyclidine (PCP), and opioids.

Chapter 1. Definitions 60. Prohibited Drug - Means any of the drugs specified in 49 CFR part 40.

§40.85 What drugs do laboratories test for? As a laboratory, you must test for the following five drugs or classes of drugs in a DOT drug test. You must not test "DOT specimen s" for any other drugs.

a. Marijuana metabolites

b. Cocaine metabolites

c. Amphetamines

d. Opioids

e. Phencyclidine (PCP)

4. Pre-Employment Drug Testing *Does the process require that no individual is allowed to perform a covered function unless that individual passes a drug test or is covered by an anti-drug program that conforms to Part 199?* (DA.DRUG.PREMPLOYMENT.P)

199.105(a) (199.105(c)(5))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

4.1. Drug Tests Required Reference(s): §199.105 (a) Pre-Employment Testing

4. (OPERATOR NAME) Gas System may not hire or contract for the use of any person as an employee unless that person passes a drug test or is covered by an anti-drug program that conforms to the requirements of 49 CFR Part 199 and Part 40.

5. Post-Accident Drug Testing *Does the process ensure that post-accident drug testing is conducted as required?* (DA.DRUG.POSTACCIDENT.P)

199.105(b) (199.117(a)(5);40.355(g);40.355(h))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

4.1. Drug Tests Required Post-Accident Testing 1.

4.1. Drug Tests Required Post-Accident Testing 2.

6. Random Drug Testing *Does the process ensure that random drug testing is conducted as required?* (DA.DRUG.RANDOM.P)

199.105(c)(5) (199.105(c)(6);199.105(c)(7);199.105(c)(8);199.105(c)(9))

Sat+	Sat	Concern	Unsat	NA	NC

Notes: 4.1. Drug Tests Required-Random Testing 4. §199.105 (C) (5)

7. Reasonable Cause Drug Testing *Does the process ensure that reasonable cause drug testing is conducted as required?* (DA.DRUG.REASONABLECAUSE.P)

199.105(d) (199.117(a)(3);40.355(g);40.355(h))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

4.1. Drug Tests Required- Reasonable Cause

1. (OPERATOR NAME) Gas System will drug test each employee when there is reasonable cause to believe the employee is using a prohibited drug. The decision to test will be based on a reasonable and articulable belief that the employee is using a prohibited drug on the basis of specific, contemporaneous physical, behavioral, or performance indicators of probable drug use. (See *Reasonable Suspicion Observation Checklist* and *Anti-Drug Reasonable Suspicion Guidance Material*).

8. Return-to-Duty Drug Testing *Does the process ensure that return-to-duty drug testing is conducted as required?* (DA.DRUG.RETURNTODUTY.P)

199.105(e) (Part 40 Subpart O;40.67(b);40.285(a);40.289(b);40.305(a))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

Drug Tests Required-Random Testing 4.1 Return-To-Duty Testing

Drug Tests Required-Random Testing 4.1 Return-To-Duty Testing & 4.2. Direct Observation

9. Follow-Up Drug Testing *Does the process ensure that follow-up drug testing is conducted as required?* (DA.DRUG.FOLLOWUPTEST.P)

199.105(f) (40.67(b);40.307;40.309)

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

Substance Abuse Professionals and the Return to Duty Process (Subpart O)

gives examples that could be considered a process.

Follow-Up Testing in section 4.1, see Substance Abuse Professionals and the Return to Duty Process (Subpart O)

Follow-Up Testing in section 4.1, see Substance Abuse Professionals and the Return to Duty Process (Subpart O)

4.2. Direct Observation

10. Medical Review Officer (MRO) Duties *Does the process ensure the MRO performs functions as required by DOT Procedures?* (DA.DRUG.MRODUTIES.P)

199.109(c) (199.109(a);40.123(a);40.123(b);40.123(c);40.123(e);40.123(f);40.123(g); Part 40 Subpart G)

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

The code ref. 199.109 is found in 2 areas: 3.11. Review Of Drug Testing Results and 4.12. Review Of Drug Testing Results.

Medical Review Officers and the Verification Process (Subpart G).

Medical Review Officers and the Verification Process (Subpart G). A code ref. to 40.163 could not be found in body of plan, however, see Medical Review Officers and the Verification Process (Subpart G).

3.11. Review Of Drug Testing Results and 4.12. Review Of Drug Testing Results.

Medical Review Officers and the Verification Process (Subpart G). No code reference to 40.163 found in body of plan, see Medical Review Officers and the Verification Process (Subpart G)

11. MRO Drug Test Reports to the Operator *Does the process ensure the MRO reports all drug test results to the DER as required?* (DA.DRUG.MROTESTREPORTS.P)

199.109(d) (Part 40 Subpart G;40.345(a);40.345(b);40.345(c);40.355(b);40.355(c))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

Medical Review Officers and the Verification Process (Subpart G). The code ref. 199.109 is found in 2 areas: 3.11. Review Of Drug Testing Results and 4.12. Review Of Drug Testing Results.

Roles and Responsibilities of Service Agents (Subpart Q). The code ref. 199.109 is found in 2 areas: 3.11. Review Of Drug Testing Results and 4.12. Review Of Drug Testing Results.

12. Employee Stand-Down and Removal From Covered Functions *Does the process ensure an employee is immediately removed from performing covered functions after failing or refusing a drug test?* (DA.DRUG.STANDOWNREMOVAL.P)

199.103(a) (199.7(a);40.21(a);40.21(b);40.23(a);40.23(b);40.23(d);40.287)

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

4.9. Stand-Down Waivers Reference(s): §199.7 and Stand-Down Process Reference(s): §40.21

4.5. Use Of Persons Who Fail Or Refuse A Drug Test and 4.4. Receiving Verified Test Results

Reference(s): §40.23

4.5. Use Of Persons Who Fail Or Refuse A Drug Test Reference(s): §199.103, §40.285, §40.287

13. Employee Assistance Program (EAP) *Does the process ensure that an EAP is established and available to employees and supervisory personnel?* (DA.DRUG.EAP.P)

199.113(a) (199.113(b);199.113(c))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

Chapter 5. Employee Assistance Program (EAP)

Reference(s): §199.113, §199.241

Chapter 5. Employee Assistance Program (EAP)

Reference(s): §199.113, §199.241

Drug and Alcohol - Alcohol Misuse Prevention Program

1. Written Alcohol Misuse Plan *Is a written Alcohol Misuse Plan in place and maintained that conforms to the requirements of Part 199 and Part 40?* (DA.ALCOHOL.PLAN.P)

199.202

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

Chapter 8. Introduction to Alcohol Misuse Prevention Plan 8.1. Purpose.Reference(s): §199.200, §199.202

2. Qualification Requirements *Do records indicate that Alcohol Misuse Prevention Program positions and/or service agents meet the applicable qualification requirements of Part 40 and Part 199?* (DA.ALCOHOL.SERVICEAGENTQUAL.R)

199.5 (40.213)

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

This is a records check. Verify that documentation is on hand to confirm that positions and/or service agents meet the applicable qualification requirements of Part 40 and Part 199

3. Alcohol-Related Prohibited Conduct *Does the process ensure that a covered employee is not permitted to perform covered functions if the employee has engaged in prohibited conduct or an alcohol misuse rule of another DOT agency?* (DA.ALCOHOL.PROHIBITEDCONDUCT.P)

199.233 (199.215;199.217;199.219;199.221;199.223;40.23(c);40.285(a);40.285(b))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

8.9. Alcohol concentration. Reference(s): §199.215. Reference to 40.23 on found in the Drug plan not in the Alcohol plan.

8.10. On-duty use. Reference(s): §199.217

8.11. Pre-duty use. Reference(s): §199.219

8.12. Use following an accident. Reference(s): §199.221

8.13. Refusal to submit to a required alcohol test. Reference(s): §199.223

4. Alcohol Screening Test Devices *Does the process for alcohol screening tests restrict the use of alcohol screening devices (ASDs) to the devices and associated requirements referenced by Part 40?* (DA.ALCOHOL.SCREENINGTESTDEVICES.P)

40.229 (40.235(e))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

9.6. Devices used to conduct alcohol screening tests See Current List of Conforming Products List of Screening Devices

9.6. Devices used to conduct alcohol screening tests See Current List of Conforming Products List of Screening Devices

Reference to code 40.235 not found in the body of the plan, but, see Testing Sites, Forms, Equipment and Supplies Used in Alcohol Testing (Subpart K)

5. Alcohol Confirmation Test Devices *Does the process for alcohol confirmation tests restrict the use of Evidential Breath Testing Devices (EBTs) to the devices and associated requirements referenced by Part 40?* (DA.ALCOHOL.CONFIRMATIONTESTDEVICES.P)

40.231(a) (40.233(c))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

9.11. Devices used to conduct alcohol confirmation tests. See Current List of Conforming Products List of Evidential Breath Alcohol Measurement Devices.

Testing Sites, Forms, Equipment and Supplies Used in Alcohol Testing (Subpart K)

Testing Sites, Forms, Equipment and Supplies Used in Alcohol Testing (Subpart K)

6. Pre-Employment Alcohol Testing (Optional) *If pre-employment alcohol testing is conducted, does the process ensure that such testing is performed within the limits of Part 199?* (DA.ALCOHOL.PREMPLOY.P)

199.209(b) (199.209(b)(1);199.209(b)(2);199.209(b)(3))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

Not required.

7. Post-Accident Alcohol Testing *Does the process ensure that post-accident alcohol testing is conducted as required?* (DA.ALCOHOL.POSTACCIDENT.P)

199.225(a) (199.225(a)(1);199.225(a)(2);199.225(a)(3);199.227(b)(4))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

9.1. Alcohol tests required Post-Accident Testing

Alcohol tests required Post-Accident Testing 1.

Alcohol tests required Post-Accident Testing 1.

Alcohol tests required Post-Accident Testing.

8. Reasonable Suspicion Alcohol Testing *Does the process ensure that reasonable suspicion alcohol testing is conducted as required?* (DA.ALCOHOL.REASONSUSPECT.P)

199.225(b) (199.225(b)(1);199.225(b)(2);199.225(b)(3);199.225(b)(4);40.355(g);40.355(h))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

9.1. Alcohol tests required, Reference(s): §199.225, Reasonable suspicion testing

9.1. Alcohol tests required, Reference(s): §199.225, Reasonable suspicion testing, 1 and 2

9.1. Alcohol tests required, Reference(s): §199.225, Reasonable suspicion testing, 2

9.1. Alcohol tests required, Reference(s): §199.225, Reasonable suspicion testing, 3

9.1. Alcohol tests required, Reference(s): §199.225, Reasonable suspicion testing, 3

9.1. Alcohol tests required, Reference(s): §199.225, Reasonable suspicion testing, 4

9.1. Alcohol tests required, Reference(s): §199.225, Reasonable suspicion testing, 5

9. Return-to-Duty Alcohol Testing *Does the process ensure that return-to-duty alcohol testing is conducted as required?* (DA.ALCOHOL.RETURNDUTY.P)

199.225(c) (199.233;199.243(c);40.67(b);40.285(a);40.305(a))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

Code ref. 40.285 is sited in Drug section of plan, (4.5. Use Of Persons Who Fail Or Refuse A Drug Test),

9.1. Alcohol tests required, Return-to-duty testing.

Substance Abuse Professionals and the Return to Duty Process (Subpart O)

9.1. Alcohol tests required, Return-to-duty testing, see Substance Abuse Professionals and the Return to Duty Process (Subpart O)

Code ref. 40.67 is sited in Drug section of plan, (4.2. Direct Observation),

10. Follow-Up Alcohol Testing *Does the process ensure that follow-up alcohol testing is conducted as required?* (DA.ALCOHOL.FOLLOWUPTEST.P)

199.225(d) (199.243(c)(2)(ii);40.307(a);40.307(b);40.309(a))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

Not found in body of plan, see Substance Abuse Professionals and the Return to Duty Process (Subpart O)

9.1. Alcohol tests required, Follow-up testing. see Substance Abuse Professionals and the Return to Duty Process (Subpart O)

9.1. Alcohol tests required, Follow-up testing.

11. BAT/STT Alcohol Screening Test Reports *Does the process ensure that alcohol screening test results are reported as required to the DER?* (DA.ALCOHOL.SCREENINGTEST.P)

40.247(a)

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

Section 9.9. Procedures the BAT or STT follow after a screening test result Reference(s): §40.247

see Screening Test Procedures (Subpart L)

12. BAT Alcohol Confirmation Test Reports *Does the process ensure that alcohol confirmation test results are reported as required to the DER?* (DA.ALCOHOL.CONFIRMATIONTEST.P)

40.255(a) (40.355(d))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

Section 9.9. Procedures the BAT or STT follow after a screening test result Reference(s): §40.247

see Screening Test Procedures (Subpart L)

13. Other Alcohol-Related Conduct *Does the process ensure that a covered employee is prohibited from performing or continuing to perform covered functions when found to have an alcohol concentration of 0.02 or greater but less than 0.04?* (DA.ALCOHOL.OTHERCONDUCT.P)

199.237(a) (199.237(b);40.23(c))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

9.19. Other alcohol-related conduct

14. Available Resources for Employees Who Have Engaged in Prohibited Conduct *Does the process ensure that each covered employee who has engaged in prohibited conduct is advised of the resources available to the covered employee in evaluating and resolving problems associated with the misuse of alcohol?* (DA.ALCOHOL.EMPLOYEERESOURCES.P)

199.243(a) (40.285(b))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

9.13. Referral, evaluation, and treatment Reference(s): §199.243

15. Alcohol Misuse Program Educational Materials *Do records indicate educational materials were provided that explain alcohol misuse requirements and the policies and procedures with respect to meeting those requirements?* (DA.ALCOHOL.EDUCATION.R)

199.239(a) (199.239(a)(1);199.239(a)(2))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

9.24. Educational Material Reference(s): §199.239

The following statement in 9.24: Educational Material shall include detailed discussion of at least the following). The plan does not provide this information, this must be inserted by operator. As an SRCS subscriber, this info will be supplied by your Analyst.

16. Alcohol Misuse Program Educational Materials Content *Do records indicate the alcohol misuse educational materials provided by the operator included the required content?* (DA.ALCOHOL.EDUCATIONCONTENT.R)

199.239(b)

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

9.24. Educational Material Reference(s): §199.239

The following statement in 9.24: Educational Material) shall include detailed discussion of at least the following). The plan does not provide this information, this must be inserted by operator. As an SRCS subscriber, this info will be supplied by your Analyst.

17. Supervisory Personnel Alcohol Testing Reasonable Suspicion Training *Does the process include the required 60-minute supervisory personnel training related to recognizing reasonable suspicion for alcohol testing?* (DA.ALCOHOL.SUPERVISORTRAINALCOHOL.P)

199.241

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

Chapter 5. Employee Assistance Program (EAP)

Reference(s): §199.113, §199.241

Drug and Alcohol - Drug and Alcohol Program Records

1. Drug and Alcohol Program Recordkeeping *Are drug and alcohol program records maintained and kept in a secure and proper location?* (DA.PROGRAMRECORDS.RECORDKEEPING.R)

199.117(b) (199.227(a);199.231(b);40.333(c);40.333(d);40.333(e))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

9.15. Retention of records Reference(s): §199.227

Chapter 6. Record Keeping 6.1. Requirements

Chapter 6. Record Keeping 6.1. Requirements

Chapter 6. Record Keeping 6.1. Requirements

2. Required Drug Test Records *Are drug test records retained for five years, three years, and one year as required and readily available?* (DA.PROGRAMRECORDS.DRUG.R)

199.117(a)
(199.117(a)(1);199.117(a)(2);199.117(a)(3);199.117(a)(4);199.117(a)(5);40.97(b);40.111(a);40.333(a)(1);40.333(a)(2);40.333(a)(4))

Sat+	Sat	Concern	Unsat	NA	NC

Notes:

All found in Chapter 6. Record Keeping 6.1. Requirements

CHAPTER 11. PLAN CHANGE LOG

This section provides a log of the plan changes detailing differences between this Plan (Version 5.1.1) and the previous Plan (Version 4.1.1).

11.1. CHANGES TO LIST OF ANSWERS FROM SIF DA Plans™ INTERVIEWS

Overview

Description of the changes reported in this section.

The following lists the changes in interview responses entered.

Anti-Drug and Alcohol Plan Threat

- **Anti-Drug and Alcohol Plan (DRUG) (Centennial Utilities/City of Circle Pines)**
  - Centennial Utilities/City of Circle Pines provides an employee assistance program (EAP) for their employees and supervisory personnel by one of the 2 ways listed below:

  By contracting with an entity that provides EAP services.

APPENDICES

APPENDIX A. ANTI-DRUG POSITIONS SUBJECT-TO-TESTING

Table A.1. Job Classifications / Titles

Classification / Title	Number of Covered Positions
~~City Administrator~~	~~1~~
~~Finance Director~~	~~1~~
Public Works Superintendent	1
~~Parks Superintendent~~	~~1~~
Public Works/Gas Maintenance	6
Parks Maintenance	3
~~Administrative Assistant~~	~~1~~
~~Administrative Specialist~~	~~1~~
~~Accounting Clerk I~~	~~1~~
~~Accounting Clerk II~~	~~1~~
~~Accounting Clerk III~~	~~1~~
~~Assistant City Administrator~~	~~1~~

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APPENDIX B. ANTI-DRUG POST-ACCIDENT GUIDANCE MATERIAL

The following guide material listed below may be used to guide the supervisor to a satisfactory outcome in a post-accident situation:

1. Verify the post-accident decision. Does the definition of accident in Section I apply to the current situation? Does the possibility exist that the employee's performance contributed to the accident or cannot be completely discounted as a contributing factor to the accident? Anonymous tips must be taken seriously, but should not be the sole reason to initiate a request for a specimen. If witnesses saw a specific event or behavior, ask them to describe what they saw. How far away were they? Before proceeding further, obtain approval from the division manager/department head or designee to proceed with post-accident testing.

2. Isolate and inform the employee. Remove the employee from the covered position or work place. Explain that you have reason to believe their performance contributed to the accident or cannot be completely discounted as a contributing factor to the accident.

3. Transport the employee. The potentially affected employee will not be allowed to proceed alone to or from the collection site. In addition to the safety concerns for the employee, accompanying the employee also assures that there is no opportunity enroute to the collection site for the employee to ingest anything that could affect the test result or to acquire "clean" urine from another person.

4. Document the events. Record the activity performed that supports the determination to conduct a post-accident test. This documentation of the employee's activity should be prepared and signed by the supervisor within 24 hours of the accident or before the results of the tests are released, whichever is earlier, if possible.

5. Denial should be an expected reaction. If a person knows they will test positive, they may give many explanations and protestations, wanting to avoid drug testing. If they are not under the influence or affected by a prohibited drug, vehement denial also would be expected. Listen to the employee and carefully evaluate the employee's explanation. Remember, a request for urine specimen is not an accusation; it is merely a request for additional objective data. To the employee it may feel like an accusation; so it is important to stress that this is merely a request for additional data.

6. Following collection. After returning from the collection site, the employee should not be allowed to perform covered functions pending the results of the drug test.

APPENDIX C. POST ACCIDENT TESTING DETERMINATION CHECKLIST

PHMSA requires that certain steps be taken following any accident that might involves drugs or alcohol. The following form includes a checklist suitable for this purpose:

Appx_C_Post_Accident_Testing_Determ

Appendix C

Post Accident Testing Determination Checklist

1. Date of the accident:_____ Time of the accident:_____am/pm

2. Was the accident reportable as an incident under Part 191?

   ☐ YES ☐ NO

3. Did the accident involve the performance of a covered function by an employee?

   ☐ YES ☐ NO

4. Was the employee's performance contributable to the accident or at least not completely discountable?

   ☐ YES ☐ NO

   See this Appendix (Page 2) "Post Accident Determination Flowchart"

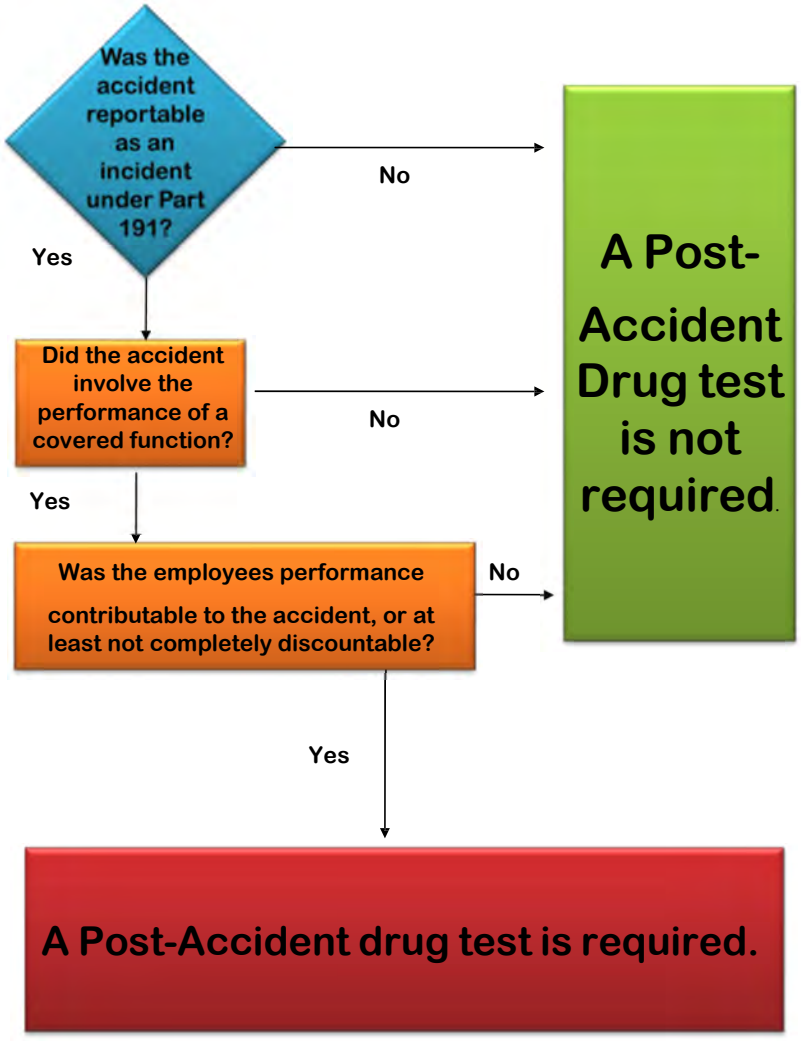
5. Elapsed time between employee performance and the accident:_____Hours
   (The employee should be tested as soon as possible, but not later than 32 hours after the accident)

6. Was the employee hospitalized?

   ☐ YES ☐ NO

If an employee who is subject to post-accident testing is conscious, able to urinate normally (in the opinion of a medical professional), and refuses to be tested, that person must be removed from duty in accordance with **Section 4.5 Use of Persons Who Fail or Refuse s Drug Test.** *If an employee is injured,* ***unconscious*** *(employee is unable to communicate), or otherwise* ***unable to evidence consent*** *(employee is unable to sign custody and control form) to the drug test,* ***all reasonable steps must be taken to obtain a urine sample from the employee.***

Post Accident Determination Flowchart



APPENDIX D. REASONABLE SUSPICION OBSERVATION CHECKLIST

The following form includes a checklist intended to assist a supervisor in referring a person for drug and alcohol testing based on reasonable suspicion:

Appx_E_Reasonable
_Suspicion_Observa

Appendix E – Reasonable Suspicion Observation Checklist

REASONABLE SUSPICION OBSERVATION CHECKLIST
(STRICTLY CONFIDENTIAL)

_____

EMPLOYEE: PERIOD OF EVALUATION:

_____

SUPERVISOR #1, NAME AND TELEPHONE:

_____

SUPERVISOR #2, NAME AND TELEPHONE:

This checklist is intended to assist a supervisor in referring a person for drug testing and alcohol testing based on reasonable suspicion. Has the employee manifested any of the following behaviors? Indicate (D) if documentation exists.

_____

A. QUALITY AND QUANTITY OF WORK

YES NO

___ ___ 1. Clear refusal to do assigned tasks
___ ___ 2 Significant increase in errors
___ ___ 3. Repeated errors in spite of increased guidance
___ ___ 4. Reduced quantity of work
___ ___ 5. Inconsistent, "up and down" quantity/quality of work
___ ___ 6. Behavior that disrupts work flow
___ ___ 7. Procrastination on significant decisions or task
___ ___ 8. More than usual supervision necessary
___ ___ 9. Frequent, unsupported explanations for poor work performance
___ ___ 10. Noticeable change in written or verbal communication
___ ___ 11. Other (please specify)_____

_____

B. INTERPERSONAL WORK RELATIONSHIPS

YES NO

___ ___ 1. Significant change in relations with co-workers, supervisors
___ ___ 2 Frequent or intense arguments
___ ___ 3. Verbal abusiveness
___ ___ 4. Physical abusiveness
___ ___ 5. Persistently withdrawn or less involved with people
___ ___ 6. Intentional avoidance of supervisor
___ ___ 7. Expressions of frustration or discontent
___ ___ 8. Change in frequency or nature of complaints
___ ___ 9. Complaints by co-workers or subordinates
___ ___ 10. Cynical, "distrustful of human nature" comments
___ ___ 11. Unusual sensitivity to advice or critique of work
___ ___ 12. Unpredictable response to supervision

Appendix E – Reasonable Suspicion Observation Checklist

___ ___ 13. Passive-aggressive attitude or behavior, doing things "behind your back"

_____

C. GENERAL JOB PERFORMANCE

YES NO
___ ___ 1. Excessive unauthorized absences-number in last 12 months
___ ___ 2. Excessive authorized absences-number in last 12 months
___ ___ 3. Excessive use of sick leave in last 12 months
___ ___ 4. Frequent Monday/Friday absence or other pattern
___ ___ 5. Frequent unexplained disappearances
___ ___ 6. Excessive "extension" of breaks or lunch
___ ___ 7. Frequently leaves work early-number of days per week or month
___ ___ 8. Increased concern about (actual incidents) safety offenses involving the employee
___ ___ 9. Experiences or causes job accidents
___ ___ 10. Major change in duties or responsibilities
___ ___ 11. Interferes with or ignores established procedures
___ ___ 12. Inability to follow through on job performance recommendation

D. PERSONAL MATTERS
YES NO
___ ___ 1. Changes in or unusual personal appearance (dress, hygiene)
___ ___ 2. Changes in or unusual speech (incoherent, stuttering, loud)
___ ___ 3. Changes in or unusual physical mannerisms (gesture, posture)
___ ___ 4. Changes in or unusual facial expressions
___ ___ 5. Changes in or unusual level of activity-much reduced/increased
___ ___ 6. Changes in or unusual topics of conversation
___ ___ 7. Engages in detailed discussions about death, suicide, harming others
___ ___ 8. Increasingly irritable or tearful
___ ___ 9. Persistently boisterous or rambunctious
___ ___ 10. Unpredictable or out-of-context displays of emotion
___ ___ 11. Unusual fears
___ ___ 12. Lacks appropriate caution
___ ___ 13. Engages in detailed discussion about obtaining/using drugs/alcohol
___ ___ 14. Has personal relationship problems (spouse, girl/boyfriend, children, in-laws)
___ ___ 15. Has received professional assistance for emotional or physical problems
___ ___ 16. Makes unfounded accusations toward others, i.e., has feelings of persecution
___ ___ 17. Secretive or furtive

___ ___ 18. Memory problems (difficulty recalling instructions, data, past behaviors)
___ ___ 19. Frequent colds, flu, or other illnesses
___ ___ 20. Excessive fatigue
___ ___ 21. Makes unreliable or false statements
___ ___ 22. Unrealistic self-appraisal or grandiose statements
___ ___ 23. Temper tantrums or angry outbursts
___ ___ 24. Demanding, rigid, inflexible
___ ___ 25. Major change in physical health
___ ___ 26. Concerns about sexual behavior or sexual harassment

_____

Other information/observations (Please be specific, attach additional sheet as needed).

_____ _____

SUPERVISOR #1 - DATE SUPERVISOR #2 - DATE

_____

APPENDIX E. ANTI-DRUG REASONABLE SUSPICION GUIDANCE MATERIAL

The following guide material listed below may be used to guide the supervisor to a satisfactory outcome in a reasonable suspicion situation:

1. Verify the reasonable suspicion decision. Anonymous tips must be taken seriously, but should not be the sole reason to initiate a request for a specimen. Hearsay is not an acceptable basis for reasonable cause referral. If witnesses saw a specific event or behavior, ask them to describe what they saw. How far away were they? How long did they observe the person? What, if anything, caused them to believe it was substance abuse related? On what basis did they reach their conclusion? Before proceeding further, obtain approval from the division manager/department head or designee to proceed with reasonable cause testing.

2. Isolate and inform the employee. Remove the employee from the work location. Explain that there is reasonable cause to believe the employee's performance is being affected by some substance. Ask the employee to explain the suspected behavior and to describe the events that took place from their perspective. Ask if there is any medication or physical condition that would explain the behavior. A persuasive explanation may or may not deter you from asking for a urine sample. If there is still a reasonable belief that drugs are a factor in the situation/incident, a request for testing should be made; if no reasonable belief is determined then no request for testing should not be made. If the decision to test is made, inform the employee that they are being requested to accompany the appropriate official to the specimen collection site to provide a urine specimen. Inform the employee of the consequences of refusal to submit to testing.

3. Review your findings. Review your findings. During the conversation, observe physical and mental symptoms. Be sure to document any characteristics that either support or contradict initial information. In all cases, a reasonable cause decision must be made by two of the employees' supervisors. This creates greater objectivity, provides additional observation, and strengthens the defensibility of the reasonable cause determination.

4. Transport the employee. The potentially affected employee should not be allowed to proceed alone to or from the collection site. In addition to the safety concerns for the employee, accompanying the employee also assures that there is no opportunity enroute to the collection site for the employee to ingest anything that could affect the test result or to acquire "clean" urine from another person.

5. Document the events. Record the behavioral signs and symptoms that support the determination to conduct a reasonable cause test. This documentation of the employee's conduct should be prepared and signed by the witnesses within 24 hours of the observed behavior or before the results of the tests are released, whichever is earlier.

6. Denial should be an expected reaction. If a person knows they will test positive, they may give many explanations and protestations, wanting to avoid drug testing. If they are not under the influence or affected by a prohibited drug, vehement denial also would be expected. Listen to the employee and carefully evaluate the employee's explanation. Remember, a request to provide a urine specimen is not an accusation; it is merely a request for additional objective data. To the employee it may feel like an accusation; so it is important to stress that this is merely a request for additional data.

7. Following administration of drug test. After returning from the collection site, the employee shall not perform duties pending the receipt of the drug test results. The employee should make

arrangements to be transported home. The employee should be instructed not to drive any motor vehicle due to the reasonable cause belief that they may be under the influence of a drug. **If the employee insists on driving, the proper local enforcement authority may be notified that an employee who the company believes may be under the influence of a drug is leaving the company premises driving a motor vehicle.**

APPENDIX F. DOCUMENTATION FOR REFUSAL TO SUBMIT TO DOT TEST

Centennial Utilities/City of Circle Pines must maintain records whenever any covered personnel refuse to submit to testing. The following form is suitable for this purpose:

Appx_R_Documentation_for_refusal_to_

Appendix R- DOCUMENTATION FOR REFUSAL TO SUBMIT TO DOT DRUG TEST

DOCUMENTATION FOR REFUSAL TO SUBMIT TO DOT DRUG TEST

Employee Printed or Typed Name: _____

Employee SS or ID Number: _____

Type of Test:

☐Pre-employment ☐Random ☐Post Accident
☐Reasonable Suspicion ☐Return of Duty ☐Follow-up

Way in which test was refused:

☐Failed to appear within a reasonable time ***(Employees shall report immediately to the collection site or to the collection site within 30 minutes, plus travel time, once notified)***

☐Failed to remain at the testing site until the testing process was completed

☐Failed to provide a urine specimen

☐Failed to permit to observation or monitoring (***In the case of a directly observed or monitored collection in a drug test)***

☐Failed to provide a sufficient amount of urine when directed, after it was determined, through the required medical evaluation, that there was no adequate medical explanation

☐Failed or declined to take an additional drug test when directed by: ☐Collector ☐ **Centennial Utilities/City of Circle Pines**

☐Failed to undergo a medical examination or evaluation, as directed by the MRO as part of the verification process, or as directed by the DER under §40.193(d)

☐Failed to cooperate with any part of the testing process

☐For an observed collection, failed to follow the observer's instructions to:

☐raise the employee's clothing above the waist

☐to turn around ***(to permit the observer to determine if the employee has any type of prosthetic or other device that could be used to interfere with the collection process)***

☐In the Possession of or wearing a prosthetic that could be used to interfere with the collection process

☐Admitted to the: **Collector** or **MRO**; that the employee has **adulterated** or **substituted** the specimen.

☐MRO reported a verified adulterated or substituted test result

Employee Signature: _____ Date: _____

APPENDIX G. RELEASE OF INFORMATION FORM

Centennial Utilities/City of Circle Pines shall seek information on prior incidents of abuse by any new employee. The following form provides for release of this information from prior employers:

Appx_S_Release_of_
Information_Form.p

Appendix S – Release of Information Form

Release of Information Form

Section I. To be completed by the new employer, signed by the employee, and transmitted to the previous employer:

Employee Printed or Typed Name: _____

Employee SS or ID Number: _____

I hereby authorize release of information from my Department of Transportation regulated drug and alcohol testing records by my previous employer, listed in *Section I-B*, to the employer listed in *Section I-A.* This release is in accordance with DOT Regulation 49 CFR Part 40, Section 40.25. I understand that information to be released in *Section II-A* by my previous employer, is limited to the following DOT-regulated testing items:

1. Alcohol tests with a result of 0.04 or higher;
2. Verified positive drug tests;
3. Refusals to be tested;
4. Other violations of DOT agency drug and alcohol testing regulations;
5. Information obtained from previous employers of a drug and alcohol rule violation;
6. Documentation, if any, of completion of the return-to-duty process following a rule violation.

Employee Signature: _____ Date: _____

I-A.

New Employer Name: _____

Address: _____

_____

Phone #: _____ Fax #: _____

Designated Employer Representative: _____

I-B.

Previous Employer Name: _____

Address: _____

_____

Phone #: _____

Designated Employer Representative (if known): _____

Section II. To be completed by the previous employer and transmitted by mail or fax to the new employer:

II-A. In the two years prior to the date of the employee's signature (in Section I), for DOT-regulated testing ~

1. Did the employee have alcohol tests with a result of 0.04 or higher? **YES ____ NO ____**
2. Did the employee have verified positive drug tests? **YES ____ NO ____**
3. Did the employee refuse to be tested? **YES ____ NO ____**
4. Did the employee have other violations of DOT agency drug and alcohol testing regulations? **YES ____ NO ____**
5. Did a previous employer report a drug and alcohol rule violation to you? **YES ____ NO ____**
6. If you answered "yes" to any of the above items, did the employee complete the return-to-duty process? **N/A ____ YES ____ NO ____**

NOTE: If you answered "yes" to item 5, you must provide the previous employer's report. If you answered "yes" to item 6, you must also transmit the appropriate return-to-duty documentation (e.g., SAP report(s), follow-up testing record).

II-B.

Name of person providing information in *Section II-A*: _____

Title: _____

Phone #: _____

Date: _____

APPENDIX H. CURRENT RANDOM TESTING RATES

The following link provides the current annual minimum drug and alcohol random testing rates established within DOT Agencies and the USCG: https://www.transportation.gov/odapc/random-testing-rates.

APPENDIX I. EDUCATIONAL MATERIAL

This appendix is reserved for use by **Centennial Utilities/City of Circle Pines** as a place to insert educational material.

See Sections 5 and 9.24, “Educational Material”.

APPENDIX J OPERATOR COMPANY POLICIES

Employee Rehabilitation Policy

Centennial Utilities/City of Circle Pines does not offer an Employee Rehabilitation Policy, the employee cannot again perform any DOT safety-sensitive duties.

APPENDIX K ABSENT EMPLOYEE PROCEDURE

Purpose:

To establish a procedure for addressing employees selected for random testing that are not available during the selection cycle. This policy includes provisions for short-term unavailability, such as vacation, and long-term unavailability, as defined herein.

Definitions applicable to this policy:

a) Short-Term Unavailability:

The unavailability of a randomly selected employee due to any legitimate absence or illness that is not Long-Term Unavailability as defined in this policy. Examples include vacation, sick leave, and out-of-town training.

b) Long-Term Unavailability:

The unavailability of a randomly selected employee due to a legitimate extended absence or long-term illness longer than **4 weeks.** Examples include hospitalization, disability, leave of absence, and maternity leave.

Policy:

If an employee selected for random testing is not available due to Short-Term Unavailability, **Centennial Utilities/City of Circle Pines** will not notify the employee until they returned to duty, at which time the employee will be notified that they have been selected for testing and directed to proceed to the collection site. *If the unavailability of the selected employee is Short-Term,* **Centennial Utilities/City of Circle Pines** *will hold the selection in confidentiality until the absent employee returns to duty.*

If an employee selected for random testing is not available due to Long-Term Unavailability
Centennial Utilities/City of Circle Pines will document the reason for the absence and document how they intend to make-up the rate shortfall caused by this absence. The "Random Selection Absent Employee Form" will be used for this purpose. Options for making up the shortfall are to select an additional employee during the current random testing cycle or during the next random testing cycle.

APPENDIX L ANTI-DRUG CONTRACTOR MONITORING

Objective: In order to assure a contractor's compliance with DOT's regulations, the following procedures are to be followed in determining compliance with the drug testing regulations as set forth in 49 CFR Part 199 and Part 40.

Procedures for Determining Compliance:

1. Qualifying Potential Contractor: Qualifications of the potential contractor as it pertains to drug testing policies/procedures is assured by requesting the potential contractor to submit a copy of its anti-drug plan for review and compliance with PHMSA/DOT regulations. Upon verification of compliance with PHMSA/DOT Regulations, the contractor is now eligible to perform covered functions as defined in Part 199 and Part 40.

2. Monitoring Contractor's Compliance: The contractor is required to provide information on his/her employees who will perform covered functions for the operator. This information will include the name and job title of the employees who will perform any work or functions covered by Part 199 under that contract.

3. All contractors will be required to submit drug testing statistical information prior to performing any work.

4. Centennial Utilities/City of Circle Pines will maintain a complete file on each contractor's statistical drug testing reports. Centennial Utilities/City of Circle Pines will make available these reports when requested by the PHMSA Administrator, agency designated representative, or representatives of those state agencies under which jurisdiction the company operates

Please use the form "Contractor Verification of Compliant Drug and Alcohol Plan" to document the review of Contractor's documents.

Note: It is permissible for Centennial Utilities/City of Circle Pines to give the Contractor personnel a pre-employment drug test, and place them in the operator's drug pool for

the duration of the job. However, if Centennial Utilities/City of Circle Pines CHOOSES THIS OPTION, Centennial Utilities/City of Circle Pines will make sure the Contractor personnel are removed from the Random drug pool immediately after the job is complete to prevent the dilution of the pool.

Contractor Verification of Compliant Drug and Alcohol Plan

Date: _____ Name of Contractor: _____

Reviewer Name: _____

A. Does Contractor have an Anti-Drug Plan? ☐ Yes ☐ No

B. Does Contractor have an Alcohol Misuse Prevention Plan? ☐ Yes ☐ No

If you answered "No" to question A or B, skip to section: III

I. Review: Contractors Anti-Drug Plan.

This review is to assure a contractor's compliance with PHMSA/DOT regulations.

Review of Anti-Drug Plan completed? ☐ Yes ☐ N/A

Is Plan Acceptable? ☐ Yes ☐ No ☐ N/A

If "No", the Contractor is prohibited from performing a covered function for Centennial Utilities/City of Circle Pines.

II. Review: Contractors Alcohol Misuse Prevention Plan.

This review is to assure a contractor's compliance with PHMSA/DOT regulations.

Review of Alcohol Misuse Prevention Plan completed? ☐ Yes ☐ N/A

Is Plan Acceptable? ☐ Yes ☐ No ☐ N/A

If "No", the Contractor is prohibited from performing a covered function for Centennial Utilities/City of Circle Pines.

III. Additional records check:

Records of employee drug test that indicate a verified positive result	☐ Yes ☐ No ☐ N/A
MIS annual report data Prior Year, through to most recent quarter	☐ Yes ☐ No ☐ N/A

IV. The following documents where present and reviewed:

Laboratory Certification ☐ Yes ☐ No ☐ N/A

Only those laboratories identified under the HHS-Certified Laboratories list are permitted to participate in the DOT drug testing program.

MRO certifications ☐ Yes ☐ No ☐ N/A

SAP certifications ☐ Yes ☐ No ☐ N/A

BAT/STT certifications ☐ Yes ☐ No ☐ N/A

Collection Site Personnel certifications ☐ Yes ☐ No ☐ N/A

Proof of Supervisory 60/60 Training? ☐ Yes ☐ No ☐ N/A

Are Documents Acceptable? ☐ Yes ☐ No

Was a list of Contractor employees who will perform any work or functions covered by Part 199 under this contract, supplied to the Operator? ☐ Yes ☐ No

V. Option to place the Contractor in the Operator's Pool

Was the Contractor given a pre-employment drug test? ☐ Yes (required!)

Was the Contractor placed in drug pool? ☐ Yes (required!)

Was the contractor given a copy of Drug and Alcohol Plan or Summarized Version of the Drug and Alcohol Plan, along with Educational material? ☐ Yes (required!)

Date the Contractor was added to the pool: _____

Signature of DER: _____

This contractor is now eligible to perform covered functions as defined in Part 199 and Part 40.

Date the Contractor was removed from the pool:_____

Signature of DER:_____

APPENDIX M PRESCRIPTION DRUG

Effective January 1, 2018, DOT Regulated employees are subject to being tested for the following semi-synthetic opioid prescription drugs:

1. hydrocodone
2. oxycodone
3. hydromorphone
4. oxymorphone

Centennial Utilities/City of Circle Pines does not permit the use of a drug if it impairs the employee while on duty. The use of a prescribed or over-the-counter medication must occur during non-working hours or in such a manner that it does not result in impairment of the employee while performing a safety sensitive function.

Please examine all your prescriptions, and over-the-counter medications, to see if they contain any of these semi-synthetic opioids. Also look to see if they state on the warning labels "do not drive or operate machinery or may cause drowsiness" – your pharmacist should be able to guide you if you have questions.

If you do have such a prescription as listed above, now is the time to visit with your prescribing physician to determine if they can put you on an alternative treatment or medication that is not likely to pose a significant safety risk.

Prescription and over-the-counter drugs are not prohibited when taken in standard dosage and/or according to a physician's prescription. Any employee taking prescribed or over-the-counter medications will be responsible for consulting the prescribing physician and/or pharmacist to ascertain whether the medication may interfere with the safe performance of his/her job. If the use of a medication could compromise the safety of the employee, fellow employees, or the public, it is the employee's responsibility to use appropriate personnel procedures (e.g., call in sick, use leave, request change of duty, notify supervisor,) to avoid unsafe workplace practices. The illegal or unauthorized use of prescription drugs is prohibited.

APPENDIX N "AFTER NOTIFICATION" REPORTING PERIOD POLICY

Purpose:

To establish a procedure for addressing the timeframe between employee notification and arrival at the collection site to ensure the integrity of the random testing process.

When an employee is notified, he or she must proceed immediately to the collection site.

Immediately means that after notification, all the employee's actions must lead to an immediate

specimen collection.

Definitions applicable to this policy:

a) Immediately:

Within 30 minutes, plus travel time, once notified by the appropriate company official.

Policy:

1. The DER will notify the employee to be tested to report to the manager/supervisor's office at a specified time.

2. The employee will not be notified of the test until after reporting for duty.

3. After being notified by the manager/supervisor, the employee will report to the collection site within 30 minutes, plus travel time.

Example:

If the covered employee drive time to the collection site is typically 2 hours, a time limit of 2 ½ hours would be reasonable.

Under this approach, a plan might set various time limits, depending on the typical travel time of the persons covered.

APPENDIX O (SUMMARIZED VERSION) ANTI-DRUG AND ALCOHOL MISUSE PREVENTION PLAN

For Centennial Utilities/City of Circle Pines

Anti-drug and Alcohol Misuse Prevention Plan Summary

The purpose of this Plan is to help prevent accidents and injuries resulting from the use of prohibited drugs and the misuse of alcohol by employees who perform covered functions subject to 49 CFR Part 192, 193 and 195.

The plan contains methods and procedures for compliance with all the requirements of 199 and Part 40 including required testing, recordkeeping, reporting, education, and training elements.

Covered employee, employee, or individual to be tested

means a person who performs a covered function, including persons employed by operators, contractors engaged by operators, and persons employed by such contractors.

Covered Functions

means an operations, maintenance, or emergency-response function regulated by part 192, 193, or 195, and has the following characteristics:

- The function is performed on a pipeline or LNG facility.
- The function is an operating, maintenance, or emergency-response function.
- The function is regulated by Part 192, 193 or 195.

What drugs does Centennial Utilities/City of Circle Pines test for?

1. Marijuana metabolites.
2. Cocaine metabolites.
3. Amphetamines.
4. Phencyclidine (PCP)
5. Opioids.

Drug Tests Required

Centennial Utilities/City of Circle Pines will conduct the following drug tests for the presence of a prohibited drug:

- Pre-Employment Testing

- Post-Accident Testing
- Random Testing
- Reasonable Cause
- Return-To-Duty Testing

  Centennial Utilities/City of Circle Pines does not offer an Employee Rehabilitation Policy.

- Follow-Up Testing

A covered employee shall be prohibited from reporting for duty or remaining on duty requiring the performance of covered functions while having an alcohol concentration of 0.04 or greater. If a company representative has actual knowledge that a covered employee has an alcohol concentration of 0.04 or greater, the employee shall not be permitted to perform or continue to perform covered functions. (8.9. Alcohol concentration)

Alcohol Tests Required

Centennial Utilities/City of Circle Pines shall conduct the following types of alcohol tests for the presence of alcohol:

- Pre-Employment Alcohol Testing

  Centennial Utilities/City of Circle Pines does perform pre-employment alcohol testing.

- Post-Accident Testing
- Reasonable suspicion testing
- Return-to-duty testing

  Centennial Utilities/City of Circle Pines does not offer an Employee Rehabilitation Policy.

- Follow-up testing

Positions Subject-to-Testing (that perform covered functions)	
~~• 1~~	~~City Administrator~~
~~• 2~~	~~Finance Director~~
• ~~3~~1	Public Works Superintendent
~~• 4~~	~~Parks Superintendent~~
• ~~5~~2	Public Works/Gas Maintenance
• ~~6~~3	Parks Maintenance

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~~• 7~~	~~Administrative Assistant~~
~~• 8~~	~~Administrative Specialist~~
~~• 9~~	~~Accounting Clerk I, II, III~~
~~• 10~~	~~Assistant City Administrator for Public Services~~

What happens if an employee fails or refuses to submit to a drug or alcohol test?

When an employee has violated DOT drug and alcohol regulations, the employee cannot again perform any DOT safety-sensitive duties for **Centennial Utilities/City of Circle Pines**.

Employee Rehabilitation Policy

Centennial Utilities/City of Circle Pines does not offer an Employee Rehabilitation Policy and **The Employee is Terminated**

Where can an employee get more information?

This information is intended to provide a general summary of the plan; it does not contain many of the requirements or special circumstances detailed in the plan.

A complete copy of **Centennial Utilities/City of Circle Pines**'s anti-drug plan is available for review by the employees in the following manner:

The complete Drug and Alcohol Plan will be accessible for all employees by contacting the DER below:

Table Summary.1. Designated Employee Representative Address

Name	**Patrick Antonen**
Street Address	200 Civic Heights Circle
City	Circle Pines
County	Anoka
State	Minnesota
Zip	55014
Phone	763-784-5898
Email	pantonen@ci.circle-pines.mn.us
Comments	