



Council Agenda Item 26-0070R

MEETING DATE: 1/26/2026

SUBJECT/TITLE: RESOLUTION APPROVING SETTLEMENT IN THE MATTER OF CITY OF DULUTH VS. CAVE ENTERPRISES OPERATIONS, LLC AND PAYMENT TO THE CITY OF DULUTH IN THE AMOUNT OF \$20,000 PURSUANT TO THE TERMS OF THE SETTLEMENT AGREEMENT.

SUBMITTED BY: City Attorney's Office

RECOMMENDATION: Approve

BOARD/COMMISSION/COMMITTEE RECOMMENDATION:

PREVIOUS COUNCIL ACTION: N/A

BACKGROUND: The City pursued legal action against Cave Enterprises for an alleged violations of Ordinance No. 10571 which established minimum standards for earned sick and safe time ("ESST"). The alleged violations occurred during the time period in which Ordinance No. 10571 (the "ESST Ordinance") was in effect, causing damages to individual employees of Cave Enterprises and the public.

BUDGET/FISCAL IMPACT: Revenue of \$20,000 for civil penalty fee and attorney's fees.

OPTIONS:

NECESSARY ACTION: Approve in order for the settlement to move forward.

ATTACHMENTS: Settlement Agreement (Document A)