

**LABOR CONTRACT  
BETWEEN  
CITY OF BENSON, MINNESOTA  
AND  
AMERICAN FEDERATION OF STATE, COUNTY  
AND MUNICIPAL EMPLOYEES, AFL-CIO  
LOCAL UNION NO. 2538  
MINNESOTA COUNCIL 65**

**January 1, 2016 - December 31, 2018**

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## LABOR CONTRACT

### ARTICLE I - PURPOSE

This AGREEMENT is entered into between the City of Benson, hereinafter called the EMPLOYER, and Local No. 2538, affiliated with Minnesota Council No. 65, and the American Federation of State, County and Municipal Employees, AFL-CIO, hereinafter called the UNION.

The intent and purpose of this AGREEMENT is to:

- a. Establish the foundation for a harmonious and effective labor-management relationship;
- b. Establish certain hours, wages and other conditions of employment;
- c. Establish procedures for the resolution of disputes concerning this AGREEMENT, its interpretation, and/or application;
- d. Specify the full and complete understanding of the parties.

### ARTICLE II - RECOGNITION

- 2.1 The EMPLOYER recognizes the UNION as the exclusive representative for all employees in a unit certified by the State of Minnesota Bureau of Mediation Services (BMS) in Case No. 76-PR-571-A and amended in Case No. 85-PR-658-A as:

"All employees of the City of Benson, Benson, Minnesota, who are public employees within the meaning of Minnesota Statute 179A.03, Subd. 14, excluding essential, supervisory, managerial, professional, and confidential employees."

The Employer shall not enter into any agreements with the employees under the jurisdiction of this Contract, either individually or collectively, which in any way conflicts with the terms and conditions of employment in this Contract. No discrimination by Employer and employees shall be exercised against any employee because of Union membership or non-union membership or because of race, color, creed, sex, religion or political beliefs.

The Employer and Union agree to apply the provisions of this Agreement equally to all employees without discrimination on the basis of Union membership or non-membership, or because of race, color, creed, sex, religion, age, national origin, marital status, status with regard to the receipt of public assistance or political beliefs.

### ARTICLE III - EMPLOYER RIGHTS

It is recognized that, except as expressly stated herein, the Employer shall retain whatever rights and authority are necessary for it to operate and direct the affairs of the City in all of its various aspects, including, but not limited to, the right to select and hire all personnel; to direct the working forces; to plan, direct and control all the operations and services of the City; to determine the methods, means, organization and number of personnel by which such operation and services are to be conducted; to assign schedule working hours and to assign overtime; to determine whether goods or services should be made or purchased; to promote, demote, suspend, discipline, or discharge employees for legitimate reasons; to make and enforce reasonable rules and regulations; to change or eliminate existing methods, equipment or facilities, and to perform any inherent managerial function not specifically limited by this Agreement.

#### ARTICLE IV - EMPLOYER SECURITY

The Union agrees that during the life of this Agreement it will not cause, encourage, participate in, or support any strike, slow down, other interruption of or interference with the normal functions of the Employer. Any employee who engages in a strike may have his or her appointment terminated by the Employer effective upon the date the violation first occurs. Such terminations shall be effective upon written notice served upon the employee. An employee who is absent from any portion of his work assignment without permission, or who abstains wholly or in part from the full performance of his duties without permission from his or her Employer on the day or dates when strike occurs is prima facie presumed to have engaged in a strike on such date or dates. An employee who knowingly strikes and whose employment has been terminated for such action may, subsequent to such violation, be appointed or reappointed or employed or reemployed, but the employee shall be on probation for two years with respect to tenure of employment, or contract of employment, as he or she may have theretofore been entitled. No employee shall be entitled to any daily pay, wages or per diem for the days on which he or she engaged in a strike. For the purposes of this Contract, a strike shall be defined as: Concerted action in failing to report to duty, the willful absence from one's position, the stoppage of work, slow down, or abstinence in whole or in part from the full, faithful and proper performance of the duties of employment for the purposes of inducing, influencing or coercing a change in the conditions or compensation or the rights, privileges or obligations of employment.

The Employer will not engage in, instigate, or condone any lockout of employees.

#### ARTICLE V - UNION RIGHTS

In recognition of the Union as the Exclusive Representative, the Employer shall deduct each pay period an amount sufficient to provide the payment of regular dues established by the Union from the wages of all employees authorizing in writing such deductions.

The Union shall provide the formula or schedule to calculate the actual dues deduction to the employer and will provide a spreadsheet that can be used to calculate the dues in an electronic format and transmit pertinent employee information necessary for the collection and administration of union dues. The employer shall remit such deductions to AFSCME Council 65, 118 Central Ave, Nashwauk, MN 55769.

The employer shall deduct fair share fees in accordance with the provisions of Minnesota Statutes, Section 179A.06, Subd. 3.

The Union shall elect employees from the bargaining unit to act as stewards and shall inform the Employer in writing of the names of such Stewards and of their successors and whom they represent.

The Union agrees to indemnify and hold the Employer harmless against any and all claims, suits, orders, or judgments brought or issued before the City as the result of any action taken or not taken by the City under the provisions of this Article.

The Staff Representative of the Union shall be permitted to enter the facilities of the Employer where employees covered by this Contract are working, upon notification to and with approval of the Employer.

#### ARTICLE VI - SAVINGS CLAUSE

This Agreement is subject to the laws of the United States, the State of Minnesota, and the signed municipality. In the event any provision of this Agreement shall be held to be contrary to law by a court of competent jurisdiction from whose final judgment or decree no appeal has been taken within the time provided, such provision shall be voided. All other provisions of this Agreement shall continue in full force and effect. The voided provision may be renegotiated at the request of either party.

## ARTICLE VII - DEFINITIONS

- 7.1 **Covered Employee Classifications.** A covered employee is any employee who is covered by this labor contract under Article II - Recognition. All covered employees would be classified in one of the following classifications:
1. **Full-Time Employee.** A regular employee of the City of Benson who works or is compensated for a work week of 40 hours per week on a year round basis.
  2. **Regular Part-Time Employee.** An employee who is a part-time employee but is employed in an ongoing employment relationship and whose schedule for work calls for the employee to work one half time or more on an annual basis. The employee may work more than 40 hours some weeks and may not work at all in other weeks but would be expected to work on average 20 hours per week with a regular weekly or monthly schedule.
  3. **Intermittent/Seasonal Part-Time Employee.** An employee who works on an "as needed" basis and is not considered exempt from the union coverage by any State Statute definitions. This employee may work for more than 40 hours in a week but would generally work less than one half time on an annual basis.
- 7.2 **Employee.** A member of the exclusively recognized bargaining unit.
- 7.3 **Employer.** The City of Benson.
- 7.4 **Union.** The American Federation of State, County and Municipal Employees.
- 7.5 **Union Member.** A member of the American Federation of State, County and Municipal Employees, Local 2538, Council 65 AFL-CIO.
- 7.6 **Overtime.** Work performed at the express authorization of the EMPLOYER, in excess of the EMPLOYEES normal work schedule.
- 7.7 **Call Out.** Return of an employee to a specified work site to perform assigned duties at the express authorization of the Employer at a time other than an assigned shift. An extension or early report to an assigned shift is not a call out.
- 7.8A **Immediate Family.** Immediate family shall be defined as husband, wife, children, or a ward of the immediate household.
- 7.8B **Extended Family.** Extended family shall be defined as mother, father, stepparent, brother, sister, grandparent, grandchild, mother-in-law, father-in-law, brother-in-law or sister-in-law,
- 7.9 **Seniority.** The employee's length of continuous service with the Employer. The Employer will maintain three separate seniority lists: 1) Full-Time Employees; 2) Regular Part-Time Employees; 3) Intermittent/Seasonal Part-Time Employees.
- 7.10 **Grievance.** A dispute or disagreement as to the interpretation or application of the specific terms and conditions of this agreement.
- 7.11 **Approved Paid Leaves.** Hours paid in lieu of hours worked. Including Holiday pay, Sick Leave, Personal Leave, Bereavement Leave, Jury Leave and Vacation Pay.

## ARTICLE VIII - HOURS OF WORK

- 8.1 **Work Schedule.** The Employer has the sole authority to establish work schedules. The schedule for employees will be determined by each Department Supervisor. The Department Supervisor will inform employees of their daily schedule of hours of work, including meal periods and rest or coffee breaks. The Employer will give four calendar days' notice to the employees affected by the establishments of work schedules different from the employees' normal schedule, provided, however, that in the case of an emergency caused by a natural element or malfunction of equipment, the Department Supervisor may, for the duration of such emergency, change work schedules without prior notice.
- 8.2 **Work Day.** The normal work day for employees shall be eight (8) hours of work with an unpaid meal period. Continuous operations employees will not receive an unpaid meal period but will eat their meal while on duty and at the work site. Rest periods of 15 minutes will be granted during every four hour period worked and considered as time worked.
- 8.21 Service to the public may require the establishment of regular shifts for some employees on a daily, weekly, seasonal, or annual basis other than the normal work day or work week.
- 8.22 The Employer may elect to adopt a four 10 hour work day schedule on a regular or seasonal basis within any given department if such a schedule meets the needs of the department and service requirements of the public.
- 8.3 **Work Week.** The normal workweek is Sunday through Saturday, beginning and ending at midnight on Saturday, and consisting of forty hours.
- 8.31 Service to the public may require the establishment of regular work weeks that schedule work on Saturdays and/or Sundays.

## ARTICLE IX - PREMIUM COMPENSATION

- 9.1 **Overtime.** Each employee has an obligation to work overtime or call backs if requested by the Employer unless unusual circumstances prevent him from so working.
- 9.11 All employees shall be compensated at the rate of time and one-half their regular rate of pay for all time worked in excess of forty hours per week or the adopted normal work day, but not both.
- 9.12 Overtime work will be distributed as equally as practicable to all full-time employees working within each department. Overtime offered to an employee and refused will, for record purposes, be considered as the employee's share of equal distribution of overtime.
- 9.13 In the event the City implements a four 10 hour day schedule, work weeks with holidays will revert back to a regular five day eight hour work week. Vacation and sick leave taken by an employee on a four 10 hour day work schedule shall be counted as 10 hour days.
- 9.2 **Call Out.** An employee called in for work at a time other than the employee's normal scheduled shift will be compensated for a minimum of two (2) hours' pay times the employee's regular hourly base pay for the first hour or any part thereof. An extension of a regularly scheduled shift does not qualify the employee for the two (2) hour minimum.
- 9.3 **On Call.** Employees who have Employer approval and who remain on call (reachable by phone during off duty hours) as determined by the Employer, shall receive pay or compensatory time off equal to one and three-quarters (1¾) hours at the employee's base pay rate for each day of on call duty, and shall be



paid in accordance with the compensation policy for call outs for any call out time actually worked. Employees electing compensatory time in lieu of pay must have approval in advance from their Department Supervisor before using such compensatory time.

- 9.4 **Approved Paid Leaves.** Approved paid leaves, shall be considered as work time for the purposes of computing overtime.
- 9.5 **Compensatory Time Off.** Employees eligible for overtime will indicate to their respective Department Supervisor the option they desire - compensatory time off or overtime. Compensatory time off is on the basis of 1½ hours for 1 hour. Compensatory time off may be accumulated up to 24 compensatory hours but must be taken within a 120 day period from the time it is earned. Use of compensatory time needs prior approval of the Department Supervisor.
- 9.6 **Voluntary Shift Switching.** Employees may voluntarily switch shifts due to unusual circumstances upon prior approval of the Department Supervisor. Hours worked due to switched shifts shall never be paid at any rate except straight time rates.
- 9.7 **Work on Sunday.** All employees shall be compensated at the rate of time and one-half their regular rate of pay for all time worked on Sunday except for those hours that carry over from a normal Saturday work shift.

#### **ARTICLE X - HOLIDAYS**

- 10.1 All full-time employees shall receive paid holidays. All regular part-time employees shall receive pro-rata holiday pay based upon hours worked. The following days are designated as holidays:

New Year's Day	Columbus Day
Martin Luther King Day	Friday after Thanksgiving
President's Day	Veteran's Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day
Labor Day	

In addition, the employees shall be granted four (4) hours for the observance of Good Friday and Christmas Eve when Christmas Eve falls on a weekday.

- 10.2 For employees normally scheduled to work Monday through Friday whenever a holiday falls on a Saturday, the preceding Friday shall be taken as a holiday. When a holiday falls on Sunday, the following Monday shall be taken as a holiday.
- 10.3 All employees scheduled to work on a recognized holiday shall receive regular time pay for hours worked in addition to holiday pay. Holiday hours worked shall not be considered as work time for purposes of computing overtime.
- 10.4 By mutual consent between employee and Department Supervisor, an employee who works on any holiday can take another day off within a four week period before or after the holiday in lieu of receiving holiday pay for the day of work.
- 10.5 **Recognized Holiday.**

- 10.51 When a recognized holiday falls within an employee's vacation period on a day that would be a normal working day, the employee shall not be charged with a day of vacation for that specific day.
- 10.52 When a recognized holiday falls between a Monday and Friday on an employee's day off, the employee shall be entitled to a day off with pay within the pay period. This day off is to be mutually agreed upon by the employee and Department Supervisor.
- 10.53 Each holiday shall consist of an eight (8) hour work shift.
- 10.54 In order to receive pay for a holiday, an employee must work a regularly scheduled work shift immediately before and immediately after the holiday unless on an approved paid leave.

#### **ARTICLE XI - LEAVES OF ABSENCE**

- 11.1 **Sick Leave.** All full-time employees shall be granted one (1) day sick leave with pay for each month of service. Sick leave shall be a benefit provided to full-time regular employees only and to regular part-time employees on a pro rata basis.
  - 11.11 Sick leave shall not be granted to intermittent, seasonal or limited term employees.
  - 11.12 Layoffs, authorized leave or leaves of absence without pay shall not be counted in computation of a full payroll period or periods of continuous service. If an employee is being paid for less than the full payroll period, his sick leave accruals shall be lost during that payroll period.
  - 11.13 Unused sick leave to an employee's credit shall be accumulative from year to year to a total of one thousand (1000) hours. Employees who have accumulated one thousand (1000) hours of sick leave shall have one (1) day of sick leave per month credited to a deferred sick leave account to be utilized by the employee in the event of an extended illness or injury. The deferred sick leave can only be used after the one thousand (1000) hours of regular sick leave have been depleted. The accumulative of one thousand (1000) hours of regular sick leave must be maintained before any sick leave can be credited to the deferred sick leave account. There shall be no severance pay credited to any deferred sick leave.
  - 11.14 Abuse of sick leave privileges shall be strictly forbidden and the City reserves the right to appropriately discipline offenders.
  - 11.15 A doctor's certificate may be required on request for any sick leave taken.
  - 11.16 Sick leave shall be granted only for absence from duty because of personal illness, legal quarantine, a medical appointment or illness in the immediate family. An employee absent from duty due to an illness or injury shall report to the employees Department Supervisor immediately upon return before assuming any duties. In the event of an illness or injury that has resulted in an absence from duty for more than three days, the employer may require a doctor's certificate stating the employee is capable of resuming work. Part-time Employees will not be granted sick leave on days when they are not scheduled to work unless they are not scheduled to work due to an extended illness, surgery or injury. Under no circumstances will part-time Employees be granted sick leave in excess of their normal work schedule.
  - 11.17 Sick leave shall be granted for absence from duty because of an illness in the extended family. Leave under this section shall be limited to 160 hours per calendar year.

## 11.2 Bereavement Leave

- 11.21 A leave of absence with pay shall be granted to all full-time employees and to regular part-time employees (if they were scheduled to work the day of the funeral) in the event of a death in the employee's or spouse's immediate or extended family. Additional time may be allowed depending upon travel, duties to perform in direct relation to the death, and arrangements necessary to conduct, but in no event to exceed three (3) working days. This leave shall not be deducted from the accumulative sick leave of the employee.
- 11.22 Full-time and regular part-time employees may be granted a leave of absence with pay, not to exceed one (1) day, to attend a funeral where he is asked to be a pall bearer or act in an Honor Guard. This paid leave shall not be deducted from the employee's accumulative sick leave.
- 11.23 Employees may be granted time off with pay to attend the funeral of a coworker who was currently employed by the City at the time of their death. The City Manager shall authorize the leave for those employees who wish to attend.

## 11.3 Military Leave

- 11.31 Employees who are members of the National Guard or any other component of the militia as defined in Minnesota Statute 192 shall receive leaves of absences and/or pay as outlined in same.

## 11.4 Jury Leave

- 11.41 Paid leave of absence shall be granted to all full-time and regular part-time employees for service on a jury, which per diem received therefore to be turned back to the City with the exception of the travel allowance paid to the employee by the courts. If an employee is excused from jury duty, he must report back to work immediately.

## 11.5 Personal Leave

- 11.51 Each employee is entitled to 8 hours personal leave with pay per 2080 hours worked or compensated, for personal business which cannot be attended to outside of work schedule, subject to the approval of the date by the Department Supervisor. Two working days advance notice should be given to the Department Supervisor.
- 11.52 Leaves of absence with or without pay may be granted to up to 12 weeks in accordance with the Employers Family, Medical and other Leave Policy.

## 11.6 Worker's Compensation

- 11.61 If an employee receives a job related injury or sickness and is eligible for Worker's Compensation benefits, and the amount he receives from Worker's Compensation in any pay period is less than his regular take-home pay (defined as his gross pay less withholding for FICA and Federal and State income tax) for that period, the City shall pay to said employee an amount equal to the difference between the amount received from Worker's Compensation and his regular take-home pay and the amount so paid shall be charged to the employee's sick leave or vacation leave.

Employees who are drawing Worker's Compensation benefits will continue to receive all benefits of this agreement including full accrual of sick leave, vacation leave and the City's contribution toward insurance coverage.

11.62 When an employee receives a job related injury or sickness resulting in the loss of work time for less time than is required to qualify for Worker's Compensation, the City shall pay the employee's regular salary and this amount of time shall not be charged to the employee's sick leave or vacation leave.

## ARTICLE XII - VACATIONS

- 12.1 Each employee shall earn vacation with pay based on the years of service in accordance with the following schedule.
- 12.2 **Computation.** Layoffs, unauthorized leaves, or leaves of absence without pay shall not be counted in computation of full payroll period or periods of continuous service. (If an employee is being paid for less than full payroll period, his vacation accruals shall be lost during the payroll period.)
- 12.3 **Amount Earned.**
- |                                       |         |
|---------------------------------------|---------|
| 0-3 years of service                  | 10 days |
| beginning in the 4th year of service  | 11 days |
| beginning in the 5th year of service  | 12 days |
| beginning in the 6th year of service  | 13 days |
| beginning in the 7th year of service  | 14 days |
| beginning in the 8th year of service  | 15 days |
| beginning in the 9th year of service  | 16 days |
| beginning in the 10th year of service | 17 days |
| beginning in the 11th year of service | 18 days |
| beginning in the 12th year of service | 19 days |
| beginning in the 13th year of service | 20 days |

Part-time employees shall earn vacation on a pro-rata basis.

- 12.31 Vacation accrues from the first day of employment but may not be used during the first six months of employment.
- 12.4 **Scheduling.** Employees shall request their vacation leave early each year. Vacation may be taken at such time approved by the Department Supervisor and the City Manager. Employees are requested to reserve well in advance for dates when vacation is desired.
- 12.41 In case of conflict, the first one reserved shall have priority. Vacations shall be reserved with the Department Supervisor.
- 12.42 No more than two weeks (80 hours) vacation leave may be taken at one time by one employee, except by mutual agreement between the employee and the City Manager.
- 12.5 **Maximum Accrual.** The maximum amount of vacation an employee will be allowed to accrue is 240 hours (30 days).
- 12.6 **Termination.** Employees terminating employment for any reason shall receive pay for any accrued vacation leave to their credit based on their current rate of pay.

**ARTICLE XIII - PERIOD OF EMPLOYMENT**

13.1 **Probationary Period.** All newly hired or rehired employees will serve a six (6) months' probationary period. During the probationary period a newly hired or rehired employee may be terminated at the sole discretion of the Employer and any disciplinary action, including such discharge, shall not be subject to the grievance procedure.

13.2 **Years of Service.** Years of service for the purpose of calculating wages or benefits shall be based on a calendar year.

13.21 All employees shall change step positions for wages, and benefits including but not limited to vacation, wage schedule steps, longevity pay, and severance pay, on the first day of January.

13.22 New employees hired prior to July 1 in any given year shall make the first year step change on January 1 of the following year. New employees hired after July 1 in any given year shall make the first year step change on January 1 of the second year following the date of hire.

13.3 **Severance Pay**

13.31 An employee who terminates employment in good standing with the City, and who was employed as a full-time or regular part-time employee by the City prior to January 1, 1991, shall be paid as severance pay a portion of the employee's accumulated sick leave according to the following schedule:

5 thru 9 successive years	20%
10 thru 14 successive years	30%
15 thru 19 successive years	40%
20 thru 24 successive years	50%
25 thru 29 successive years	60%
30 or more successive years	70%

No severance shall be paid to employees hired after January 1, 1991.

50 % of the severance pay shall be deposited into the employees Post Employment Health Savings Account and the remaining 50% shall be paid to the employee in cash.

The severance pay shall be computed at the current rate of pay.

13.32 If an employee, who has ten years or more of service with the City, dies while still in the employ of the City, a death benefit equal to the severance pay schedule shall be paid proportionally to the employee's dependents and Post Employment Health Savings Account. If there are no dependents, this payment shall be considered waived.

13.4 **Payroll Direct Deposit.** Effective January 1, 2006, payroll direct deposit will be mandatory for all newly hired or rehired employees.

**ARTICLE XIV - SENIORITY**

14.1 **Definition.** Seniority is defined as the employee's length of continuous service with the City. Continuous service shall be broken only by voluntary resignation, dismissals for cause, layoff in excess of twenty-four (24) consecutive months, or being absent without leave for a period of three (3) consecutive work days.

- 14.2 **Full-Time.** Seniority shall be granted to all full-time employees on an employer basis and a department basis. Full-time employer seniority shall mean total length of continuous employment as a full-time employee with the employer; full-time department seniority shall mean total length of service as a full-time employee in any particular department.
- 14.3 **Part-Time.** Seniority shall be granted to all regular part-time employees on an employer basis and a department basis. Part-time employer seniority shall mean total length of continuous employment as a part-time employee with the employer; part-time department seniority shall mean total length of service as a part-time employee in any particular department.
- 14.4 **Probationary Period.** An original hire or rehire shall serve a probationary period of six (6) months during which time he may be discharged without cause. Upon satisfactory completion of the probationary period and approval of the City Council, the employee shall be considered as a regular employee and shall rank in seniority from the date of hire.
- 14.5 **List.** Employer shall keep a current seniority list of all employees which shall be available for review at the City offices.
- 14.6 **New Position.** Any new position created shall be posted on bulletin boards for a period of five (5) work days and advertised in the legal newspaper of the City.
- 14.7 **Promotions.** The City will provide training and development for employees when necessary and to offer employees promotions to higher level positions when appropriate. Current employees with the necessary qualifications and skills to fill a vacancy or newly created position may be considered for promotion in addition to outside recruitment. The City shall post the vacancy on its bulletin board for five working days and may also choose to advertise the position in any type of public media.
1. All employees are encouraged to seek advancement opportunities and to obtain promotion and career guidance from their Department Supervisor.
  2. An employee's basic eligibility for promotion will be determined by the requirements of the new job. In addition, the employee must have held his current position for at least six months and have a satisfactory performance record.
  3. Current employee candidates for job openings and promotions will be considered for the position as outlined in the Transfer Article.
  4. Current employee candidates for promotion will normally be screened and selected on the basis of job related qualifications, attendance and work records, and performance appraisals.
  5. Promoted employees will be subject in their new positions to an introductory period of one month. During or at the conclusion of the introductory period an employee may voluntarily return to their previous position or be returned based on an evaluation of the Department Supervisor.
  6. Employees promoted to a higher level position will be placed on the step that is closest in pay to the employee's current wage, but in no case shall it be less than the employee's current rate of pay.
- 14.8 **Transfer.** The City may at its discretion approve employee job transfers from one job to another.
1. To be eligible for a voluntary transfer, employees must meet the requirements of the new position and have held their current position for at least six months.

2. Eligible employees who request a transfer will be considered in the following order:
    - a. Employees in the same department as the opening.
    - b. Employees in departments other than the one where the opening occurs.
  3. Transferred employees will be subject in their new positions to an introductory period of one month. During or at the conclusion of the introductory period an employee may voluntarily return to their previous position or be returned based on an evaluation of the Department Supervisor.
- 14.9 **Layoffs.** Employees within each affected department are to be selected for layoff in the following order:
- a. New employees covered under the probationary period
  - b. Temporary and Intermittent/Part-time employees
  - c. Regular Part-time and then Full-time employees based on seniority provided that the employees retained have the demonstrated ability and fitness to perform the available work. If after a time period of one month the employee cannot perform the duties of the new job, that employee shall be laid off if the employee is ineligible to "bump" or transfer to any other job.
- 14.91 Employees will be recalled based upon seniority and their ability to do the job. No recall rights shall exist for any employee on layoff status as of January 1, 2010.
- 14.10 **Position Elimination.** In the event of a position within the bargaining unit being eliminated, the employee(s) filling that position shall: 1) be transferred to another position if qualified; or 2) exercise "bumping rights" based on seniority to a position if qualified, either to be in lieu of layoff or termination, due to the elimination of a position. Bumping rights shall apply separately within full-time positions and part-time positions.

## ARTICLE XV - HEALTH AND WELFARE

- 15.1 **Effective Date of Coverage.** All eligible employees will be covered by employee medical and hospital insurance plans on the first days following the first full month of employment and upon acceptance of the application by the insurance carrier.
- 15.2 **Employee Out of Pocket Expenses.** Deductibles are \$3250 per person and \$6500 per family. Thereafter all in-network medical costs and formulary prescription costs will be paid at 100%. Out of network medical costs and non-formulary prescriptions will incur additional employee costs as outlined in the plan document. The Employer shall make annual contributions into either a VEBA or H.S.A. account of \$1250 for single coverage and \$2500 for family coverage in January of each year. New Employees shall receive pro-rated contributions based on number of months health insurance is in place for that calendar year. These funds will be available to the employees to pay eligible medical expenses.
- 15.25 **Employee Contributions to H.S.A.** Employees who elect to open an H.S.A. account may also annually contribute funds to the account up to the maximum amount as set by the Federal Government. For 2016 the maximum amount for both Employer and Employee contributions equal \$3350 for a single and \$6750 for a family. Employee contributions to a VEBA account are not allowed.
- 15.3 **Full-Time Benefit.**
- A. Family health insurance coverage will cost the Employee \$554.25 per month in 2016. If there is an increase in premiums for 2017 or 2018, the City shall pay 50% of the increase, and the Employee shall pay 50% of the increase.
  - B. The City shall pay the full premium for single coverage for the duration of this contract.

15.4 **Part-Time Benefit.** For employees who average over 30 hours per week on an annual basis, the City shall contribute up to a maximum of three-quarters of the maximum for full-time employees toward the premium for hospital-surgical insurance for either family or single coverage. Once an employee qualifies for health insurance benefits they shall be qualified even if they drop below the 30 hours per week minimum. If the employees average hours per week falls below 20 hours per week then the benefits will be discontinued.

All part-time employees working a minimum of 30 hours per week during the prior year measurement period, as defined in IRS Notice 2011-36, may participate in the City of Benson medical insurance plan. The City will contribute 75% of their regular full-time employee contribution amount for both single and family coverage. Part-time employees are not required to participate; however, employees who decline medical insurance under the City's program must sign a waiver acknowledging their voluntary rejection of the medical insurance plan. In addition, those employee electing to waive health insurance coverage for themselves or any dependents will be unable to add coverage through the City until the next open enrollment period unless a life event occurs as defined by HIPAA and the Department of Labor.

\*The City has adopted a twelve month measurement period beginning October 1<sup>st</sup> of each year. The measurement period will be followed by a two month administrative period lasting until December 31<sup>st</sup> which coincides with the City's annual health insurance open enrollment period. If an employee is deemed eligible by meeting the minimum 30 hour average during the defined measurement period, the employee will then be eligible for coverage during the corresponding 12 month stability period beginning January 1<sup>st</sup> through the end of the year.

15.5 **Retirees.** The City agrees to work with the insurance carrier to provide the opportunity for an early retiree to remain in the group and paying his own premium to the City up to age 65 subject to COBRA requirements. Upon reaching the age of 65 the employee shall transfer from the active insurance group plan to the group Medicare supplement plan.

15.6 **Life Insurance.** The City will provide a \$30,000 term life insurance policy for each full-time employee.

15.7 **Short Term & Long Term Disability Insurance.** For each employee eligible for coverage under the Medical and Hospital Insurance plan, the City shall also provide, at no cost to the employee, Short Term and Long Term Disability Insurance coverage.

15.8 **Post Employment Health Savings Account.** For each employee eligible for coverage under the Medical and Hospital Insurance plan, the City will contribute \$30.00 per pay period to a Post Employment Health Savings Account held in the employee's name.

15.9 **Flexible Spending Account.** All full-time employees and part-time employees who average 25 hours per week are eligible to participate in the Flexible Spending Account. The level of participation available will depend upon what type of account the Employee has selected in conjunction with the Employers high deductible health plan. (H.S.A. vs. VEBA.)

15.10 **Renewal VEBA with Postretirement Health Care Savings Arrangement.**

1. **Renewal of VEBA.** Effective January 1, 2010, Employer shall continue to make available a VEBA Plan and Trust described in summary and attached hereto as VEBA Attachment #1, to all qualified bargaining unit members and eligible retirees. Employer and employees and eligible retirees assent to and ratify the appointment of the trustee and plan administrator for the VEBA Plan and Trust identified in VEBA Attachment #1. It is intended that this arrangement constitute a voluntary employees' beneficiary association under Section 501(c)(9) of the Internal Revenue



Code.

2. Benefits provided through the VEBA. Employer shall provide the following welfare benefit arrangement through the VEBA Plan:

The Postretirement Health Care Savings Arrangement

3. Payment of Administration and Investment Fees and Expenses. Administration Fees under the Premium Saver Option as of 2008 are \$1.83 per individual account per month. The interest rate on cash deposits under the Premium Saver Option are identified in Appendix B attached hereto. The interest rate on cash deposits may be increased or decreased by SelectAccount from time to time to reflect market conditions. Administration fees allocable to the individual accounts shall be paid by the City.

Investment Fees as of 2010 are \$1.50 per individual account per month. Investment Fees are only assessed when a participant directs the investment of his or her account in mutual funds that are made available through SelectAccount pursuant to the terms of the VEBA Plan and Adoption Agreement. Investment Fees will not increase during the term of this agreement, but may change thereafter. No sales load will be charged on mutual funds. Mutual funds made available as investment alternatives may charge certain management, administration, marketing and similar fees depending on the funds selected (the "expense ratio"). The expense ratio on the funds selected as of November 1, 2007, range from .51 to 1.28 basis points, and will be applied against a participant's investment in said funds.

4. Employer Contributions to the Postretirement Health Care Savings Arrangement. If participant dies without a spouse or legal dependent for federal tax purposes, and to the extent required to protect the tax status of the health reimbursement arrangement, amounts remaining in the participant's account shall be forfeited and applied to reduce administrative expenses or future Employer contributions to the Plan.
  - A. Severance Pay. Within sixty (60) days of the effective date of retirement, or if later, upon the adoption date of the VEBA Plan, Employer shall pay 50% of the amount of the Severance Pay otherwise payable to qualifying employees under Article 13.31 and 100% under Article 13.32 of this Collective Bargaining Agreement to individual accounts established for those employees under the Postretirement Health Care Savings Arrangement. Employees will not be entitled to receive this amount in the form of taxable cash compensation.
5. Bi-Weekly Contributions to Postretirement Health Care Savings Plan. Employer will make a \$30.00 bi-weekly contribution to individual accounts under the Postretirement Health Care Savings Arrangement for qualifying employees who are members of this Collective Bargaining Agreement.

These amounts will be subject to the rules of the Postretirement Health Care Savings Arrangement, including the restrictions on distributions for active employees. On such later date as the parties may agree, these accounts may be transferred to individual accounts in the Health Reimbursement Arrangement for Active Employees, to be used in conjunction with a high deductible health plan.

**ARTICLE XVI - DISCIPLINE**

- 16.1 **Classes of Discipline.** The EMPLOYER will discipline employees only for just cause. The discipline process for each incident will be in one of the following forms, normally progressive, and dependent on

the nature and severity of the employee's action:

1. oral reprimand;
2. written reprimand;
3. suspension;
4. discharge.

- 16.2 **Written Record.** A written record of all disciplinary actions shall be maintained in the employee's personnel file and shall be made available to the employee upon request. All disciplinary records shall state the corrective action expected of the employee.

Written records of minor offenses that require placement in the employee's personnel file shall be removed from the file after a period of six months if no further violations occur.

- 16.3 **Discharge.** In the case of discharge, the employee shall first be suspended for three (3) days with pay. The employee and his or her steward shall be notified in writing that the employee has been suspended and is subject to discharge.

## ARTICLE XVII - GRIEVANCES

- 17.1 **Definition of a Grievance.** A grievance is defined as a dispute or disagreement as to the interpretation or application of the specific terms and conditions of this Agreement.

- 17.2 **Grievance Procedure.** Recognizing that grievances should be raised and settled promptly, a grievance must be raised within ten (10) working days following the time when the employee or his steward gained knowledge of its occurrence. Grievances shall be processed as follows:

**Step 1.** The employee and/or their steward shall inform the employees Department Supervisor that the employee intends to file a written grievance unless the supervisor is able to provide a satisfactory remedy. The Department Supervisor shall attempt to adjust the grievance and shall respond to the employee and/or steward within three (3) working days of the discussion.

**Step 2.** If the grievance is not settled in Step 1, the Union may, within five (5) working days following receipt of the Department Supervisor's response, file a written grievance with the City Manager. A meeting shall then be held between the City Manager, the employee aggrieved, and Union Representative, within five (5) working days. The City Manager shall give a written answer to the Union within five (5) working days of said meeting.

**Step 3.** If the grievance is not resolved in Step 2, five (5) calendar days will be allowed for preparation after which time the grievance shall be referred to the City Council at their next regular council meeting. The employee(s) shall state whether the employee(s) wishes to have the grievance heard before the full Council or wishes to have the grievance submitted to the Director of Mediation Services, State of Minnesota, for mediation. If the employee(s) chooses to have the grievance heard by the Council, the Council shall render its final decision in writing within seven (7) calendar days after the hearing has been held. If the employee(s) requests the grievance be submitted for mediation, the City Council shall render its final decision in writing within seven (7) calendar days after the conclusion of the mediation meetings. The Council's decision shall be in writing to the grieved employee(s) and AFSCME.

**Step 4.** If this fails to settle the grievance, it may be taken to arbitration, and the decision of the arbitrator shall be final and binding on the parties. If the parties are unable to agree upon the appointment of the arbitrator within five (5) days after submission of the grievance to arbitration, either party may then request the Director, Minnesota Bureau of Mediation Services, to furnish a list of five (5)

prospective arbitrators. From this list, each party shall, in turn, strike one name until one name remains, and the last remaining individual shall be the arbitrator. A hearing on the grievance will be held promptly by the arbitrator and a decision shall be rendered by him within thirty (30) days after the date of hearing. All expenses and costs of the arbitrator shall be shared and assessed equally to the parties. Sundays and holidays shall not be included during these proceedings.

17.3 **Arbitrator's Authority.** The arbitrator shall have no right to amend, modify, nullify, ignore, add to, or subtract from the terms and conditions of this Agreement. The arbitrator shall consider and decide only the specific issue(s) submitted in writing by the Employer and the Union, and shall have no authority to make a decision on any other issue not so submitted. The arbitrator shall be without power to make decisions contrary to, or inconsistent with, or modifying or varying in any way the application of laws, rules or regulations having the force and effect of law. The arbitrator's decision shall be final and binding on both the Employer and the Union, and shall be based solely on the arbitrator's interpretation or application of the express terms of this Agreement and to the facts of the grievance presented.

17.31 If either party desires a verbatim record of the proceedings, the cost shall be shared equally.

17.4 **Waiver.** If a grievance is not presented within the time limits set forth above, it shall be considered "waived". If a grievance is not appealed to the next step within the specified time limit or any agreed extension thereof, it shall be considered settled on the basis of the Employer's last answer. If the Employer does not answer a grievance or an appeal thereof within the specified time limits, the Union may elect to treat the grievance as denied at that step and immediately appeal the grievance to the next step. The time limit in each step may be extended by mutual agreement of the Employer and the Union.

17.5 **Union Stewards.** Union Stewards elected by the Union shall have the right to review, investigate and process grievances at the Step I level during regular work hours, not to exceed two (2) hours per week. A steward representing the department of the employee filing the grievance shall be the only steward participating in that particular grievance process.

#### **ARTICLE XVIII - RIGHT OF SUBCONTRACT**

18.1 Nothing in this Agreement shall prohibit or restrict the rights of the Employer from subcontracting work performed by employees covered by this Agreement.

#### **ARTICLE XIX - SAFETY**

19.1 **Promote Safety.** The Employer and the Union agree to jointly promote safe and healthful working conditions, to cooperate in safety matters, and to encourage employees to work in a safe manner.

#### **ARTICLE XX - DEFERRED COMPENSATION PLAN**

20.1 **Deferred Compensation.** Employees shall be eligible to participate in an employer sponsored deferred compensation plan established under 457 of the IRS code. The Employer will match Employee contributions up to 3% of each employee's annual gross wages and 50% of additional contributions up to a maximum of 4%.

#### **ARTICLE XXI - TERMINATION AND MODIFICATION**

21.1 **Effective Date.** This Contract shall become effective on January 1, 2016 and shall remain in full force and effect until the 31st day of December 2018. It shall automatically be renewed from year to year thereafter unless either party shall notify the other party in writing that it desires to modify or terminate

the Contract. In the event that either party desires to modify this Contract, it shall notify the other party in writing on or before November 1. This Contract shall remain in full force and effect during the period of such negotiations.

- 21.2 **Termination Notice.** In the event that either party wishes to terminate this Contract, it shall notify the other party in writing no less than thirty (30) days prior to the desired termination date which shall not be before the 31st day of December of any year.

#### ARTICLE XXII - WAIVER

- 22.1 **Prior Agreements.** Any and all prior agreements, resolutions, practices, policies, rules, and regulations regarding terms and conditions of employment, to the extent inconsistent with the provisions of this Agreement, are hereby superseded.

- 22.2 **Negotiations.** The parties mutually acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any term or condition of employment not removed by law from bargaining. All agreements and understandings arrived at by the parties are set forth in writing in this Agreement for the stipulated duration of this Agreement. The Employer and the Union each voluntarily and unqualifiedly waives the right to meet and negotiate regarding any and all terms and conditions of employment referred to or covered in this Agreement or with respect to any term or condition of employment not specifically referred to or covered by this Agreement, even though such terms or conditions may not have been within the knowledge or contemplation of either or both parties at the time this Contract was negotiated or executed.

**ADOPTION**

CITY OF BENSON: By motion duly made, seconded, and passed, the City Council did adopt this LABOR CONTRACT on October , 2015

LOCAL UNION 2538, AFSCME: By the casting of a secret ballot vote of the membership did adopt this LABOR CONTRACT on October 19, 2015.

CITY OF BENSON

LOCAL UNION 2538, AFSCME

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Negotiating Team Member

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Negotiating Team Member

\_\_\_\_\_  
Negotiating Team Member

\_\_\_\_\_  
Council 65 Representative

## APPENDIX A – WAGE SCHEDULE

### 2016 Wages 3%

	Start	After 1	After 2	After 3	After 4
General Laborer	13.27	13.70	14.14	14.58	15.03
Transit Driver	14.91	15.38	15.80	16.24	16.53
Liquor II	14.91	15.38	15.80	16.24	16.53
Truck Driver	15.25	15.70	16.13	16.58	16.92
Liquor clerk	15.86	16.32	16.75	17.18	17.53
Lead Transit	17.08	17.64	18.08	18.42	18.75
Office/Acct Clerk	15.45	15.86	16.27	16.67	17.10
Parks	18.03	18.59	19.14	19.69	20.24
Police Admin	18.57	19.12	19.69	20.24	20.80
Billing/payroll	18.57	19.12	19.69	20.24	20.80
Public Works	20.34	20.73	21.21	21.68	22.18
Public Works Asst	20.89	21.48	22.04	22.42	23.06
WWW Class I	20.34	20.73	21.21	21.68	22.18
WWW Class II	21.21	21.68	22.18	22.68	23.31
WWW Class III	22.18	22.75	23.11	23.44	23.96
WWW Class IV	23.06	23.50	23.95	24.46	24.97
WWW Class V	24.24	24.80	25.34	25.91	26.47

Longevity .05 every 2 years beginning with 6 years of service

### 2017 Wages 3%

	Start	After 1	After 2	After 3	After 4
General Laborer	13.66	14.11	14.57	15.02	15.48
Transit Driver	15.36	15.84	16.27	16.73	17.03
Liquor II	15.36	15.84	16.27	16.73	17.03
Truck Driver	15.71	16.17	16.61	17.08	17.43
Liquor clerk	16.34	16.80	17.25	17.70	18.06
Lead Transit	17.59	18.17	18.62	18.97	19.31
Office/Acct Clerk	15.91	16.34	16.76	17.17	17.61
Parks	18.57	19.15	19.71	20.28	20.85
Police Admin	19.13	19.69	20.28	20.85	21.42
Billing/payroll	19.13	19.69	20.28	20.85	21.42
Public Works	20.95	21.36	21.84	22.33	22.84
Public Works Asst	21.52	22.12	22.70	23.10	23.75
WWW Class I	20.95	21.36	21.84	22.33	22.84
WWW Class II	21.84	22.33	22.84	23.36	24.01
WWW Class III	22.84	23.44	23.81	24.15	24.68
WWW Class IV	23.75	24.21	24.67	25.20	25.72
WWW Class V	24.96	25.55	26.10	26.69	27.27

Longevity .05 every 2 years beginning with 6 years of service

Cell phones stipend of \$25 per month to full time employees who routinely use their phones for business purposes during the normal work day at the express authorization of their supervisor.

**2018 Wages 3%**

	Start	After 1	After 2	After 3	After 4
General Laborer	14.07	14.53	15.00	15.47	15.94
Transit Driver	15.82	16.31	16.76	17.23	17.54
Liquor II	15.82	16.31	16.76	17.23	17.54
Truck Driver	16.18	16.65	17.11	17.59	17.95
Liquor clerk	16.83	17.31	17.77	18.23	18.60
Lead Transit	18.12	18.72	19.18	19.54	19.89
Office/Acct Clerk	16.39	16.83	17.26	17.69	18.14
Parks	19.12	19.72	20.30	20.89	21.47
Police Admin	19.70	20.28	20.89	21.47	22.06
Billing/payroll	19.70	20.28	20.89	21.47	22.06
Public Works	21.58	22.00	22.50	23.00	23.53
Public Works Asst	22.16	22.78	23.38	23.79	24.47
WWW Class I	21.58	22.00	22.50	23.00	23.53
WWW Class II	22.50	23.00	23.53	24.06	24.73
WWW Class III	23.53	24.14	24.52	24.87	25.42
WWW Class IV	24.47	24.94	25.41	25.95	26.49
WWW Class V	25.71	26.31	26.88	27.49	28.08

Longevity .05 every 2 years beginning with 6 years of service

**APPENDIX B**  
**Current Interest Rate for Select Account Deposits**  
**(Effective January 1, 2013)**

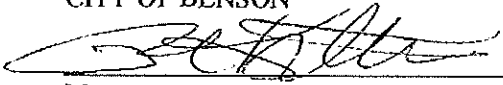
Base Account Balance	Thrift Saver	Basic Saver	Premium Saver
\$0 to \$499	0.05%	0.25%	1.05%
\$500 to \$999	0.10%	0.25%	1.05%
\$1,000 to \$1,499	0.10%	0.40%	1.05%
\$1,500 to \$2,499	0.20%	0.40%	1.05%
\$2,500 to \$4,999	0.20%	0.40%	1.05%
\$5,000 to \$9,999	0.30%	0.50%	1.15%
\$10,000 to \$24,999	0.50%	0.75%	1.75%
\$25,000 or greater	0.70%	1.25%	2.00%

ADOPTION

CITY OF BENSON: By motion duly made, seconded, and passed, the City Council did adopt this LABOR CONTRACT on October , 2015

LOCAL UNION 2538, AFSCME: By the casting of a secret ballot vote of the membership did adopt this LABOR CONTRACT on October 19, 2015.

CITY OF BENSON



Mayor

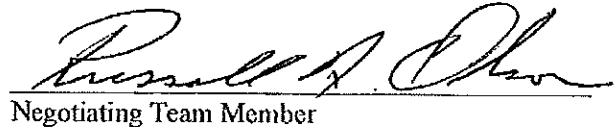


City Manager

LOCAL UNION 2538, AFSCME



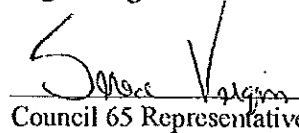
Negotiating Team Member



Negotiating Team Member



Negotiating Team Member



AFSCME Co. 65

Council 65 Representative