

AGREEMENT

between

CITY OF HOYT LAKES, MINNESOTA

and

**AMERICAN FEDERATION OF STATE, COUNTY AND
MUNICIPAL EMPLOYEES, AFL-CIO, LOCAL UNION NO. 2780**

BASIC UNIT

MARCH 1, 2017

through

FEBRUARY 28, 2020

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LABOR AGREEMENT
between
CITY OF HOYT LAKES
and
AMERICAN FEDERATION OF STATE, COUNTY AND
MUNICIPAL EMPLOYEES, AFL-CIO, LOCAL UNION NO. 2780

ARTICLE I
PURPOSE OF AGREEMENT

This Agreement is entered into between the City of Hoyt Lakes, hereinafter called the Employer, and the American Federation of State, County and Municipal Employees, Local No. 2780, hereinafter called the Union. The intent and purpose of this Agreement is to:

- 1.1 Establish procedures for the resolution of disputes concerning this Agreement's interpretation and/or application;
- 1.2 Specify the full and complete understanding of the parties; and
- 1.3 Place in written form the parties agreement upon terms and conditions of employment for the duration of the Agreement.
- 1.4 Changes to this Agreement on matters pertaining to wages, hours, personnel matters and working conditions covered by this Agreement shall be mutually agreed in writing between the authorized representatives of the parties and may be made at any time.

ARTICLE 2
RECOGNITION

- 2.1 The employer hereby recognizes Local Union No. 2780 as the exclusive representative under Minnesota Statutes 179.71, Subd. 2, for:

"All employees of the City of Hoyt Lakes, employed for more than fourteen (14) hours per week or more than sixty-seven (67) work days per year, excluding all elected officials, all essential, supervisory and confidential employees."

ARTICLE 3
DEFINITIONS

- 3.1 **UNION**: The American Federation of State, County and Municipal Employees, Local No. 2780.
- 3.2 **EMPLOYER**: The City of Hoyt Lakes or its representative.
- 3.3 **UNION MEMBER**: A member of the AFSCME, Local No. 2780.
- 3.4 **EMPLOYEE**: A member of the bargaining unit covered by this Agreement.
- 3.5 **REGULAR EMPLOYEE**: Employee who has completed a ninety (90) day probationary period.
- 3.6 **PROBATIONARY EMPLOYEE**: Employee who has not completed the probationary period.
- 3.7 **SENIORITY**: Length of continuous service with the Employer.
- 3.8 **UNION OFFICER**: Duly appointed or elected officer of AFSCME Local No. 2780.

ARTICLE 4
EMPLOYER AUTHORITY

- 4.1 The Employer retains the full and unrestricted right to operate and manage all manpower, facilities and equipment; to establish functions and programs; to set and amend budgets; to determine the utilization of technology; to establish and modify the organizational structure; to select, direct and determine the number of personnel; to establish work schedules, and to perform any inherent managerial function not specifically limited by this Agreement.
- 4.2 Any term and condition of employment not specifically established or modified by this Agreement shall remain solely within the discretion of the Employer to modify, establish or eliminate.
- 4.3 Nothing in this Agreement shall limit the Employer's right to subcontract work done by members of the bargaining unit covered by this Agreement.

ARTICLE 5
UNION SECURITY

- 5.1 The Employer will not enter into any agreement with the employees coming under the jurisdiction of this Agreement, either individually or collectively, which in any way conflicts with the terms and conditions of this Agreement.
- 5.2 No discrimination shall be exercised against any employee because of Union membership or non-membership or because of race, color, sex, creed, religious or political beliefs.
- 5.3 The Employer shall deduct from the wages of employees who authorize such deduction in writing an amount necessary to cover monthly dues. Such moneys and a listing of employees from whom such deduction has been made shall be remitted as directed by the Union.
- 5.4 Upon request of the Union, the Employer shall deduct from the wages of employees in the bargaining unit who are not member of the Union, a fair share amount that does not exceed eighty-five percent (85%) of the regular monthly dues, in compliance with applicable statute relating to the fair share fee.
- 5.5 Representatives of the Union shall have access to the premises of the City at reasonable times and subject to reasonable rules to investigate grievances and other problems with which they are concerned.
- 5.6 The Union agrees to indemnify and hold harmless against any and all claims, suits, orders or judgments brought or issued against the City as a result of any action taken or not taken by the City under the provisions of 5.3 and 5.4 of this Article.
- 5.7 The Union shall be permitted the use of bulletin boards maintained by the City for posting of matters of interest to its members. However, no matters pertaining to grievances, political items, or any criticism of City policies and practices shall be allowed.
- 5.8 The Union may designate an employee and/or alternate from the bargaining unit to act as Steward, and shall inform the Employer in writing of such choice and changes in the position of Steward. The Steward and/or alternate shall have the right to process grievances and perform other duties and responsibilities as established by this Agreement.

5.9 PEOPLE Deduction

The Employer agrees to deduct from the wages of any employee who is a member of the Union a PEOPLE deduction as provided for in a written authorization. Such authorization must be executed by the employee and may be revoked by the employee at any time by giving written notice to both the Employer and the Union. The Employer agrees to remit any deductions made pursuant to this provision promptly to the Union together with an itemized statement showing the name of each employee from whose pay such deduction have been made and the amount deducted during the period covered by the remittance.

- 5.10 The City will allow the AFSCME negotiating committee (limited to two (2) employees when on paid time) to negotiate with the City during work hours without loss of pay.

ARTICLE 6
EMPLOYEE RIGHTS – GRIEVANCE PROCEDURE

- 6.1 Definition of a Grievance. A grievance shall mean an allegation by an employee, resulting in a dispute or disagreement between the employee and the Employer, as to the interpretation or application of terms and conditions of employment, insofar as such matters are contained in this Agreement.
- 6.2 Union Representatives. The Employer will recognize representatives, designated by the Union as grievance representatives of the bargaining unit, having the duties and responsibilities established by this Article. The Union shall notify the Employer in writing of the names of such Union representatives and of their successors when so designated, as provided by 5.8 of this Agreement.
- 6.3 Processing of a Grievance. It is recognized and accepted by the Union and the employer that the processing of grievances as hereinafter provided is limited by the job duties and responsibilities of the employees, and shall therefore be accomplished during normal working hours only when consistent with such employee duties and responsibilities. The aggrieved employee and a Union representative shall be allowed a reasonable amount of time without loss in pay when a grievance is investigated and presented to the Employer during normal working hours, provided that the employee and the Union representative have notified and received the approval of the designated supervisor who has determined that such absence is reasonable and would not be detrimental to the work programs of the Employer.
- 6.4 Procedure: Grievances, as defined by Section 6.1, shall be resolved in conformance with the following procedure:

STEP 1. An employee claiming a violation concerning the interpretation or application of this Agreement shall, within fourteen (14) working days after such alleged violation has occurred, present such grievance to the employee's supervisor as designated by the Employer. The Employer-designated representative will discuss and give an answer to such Step 1 grievance within fourteen (14) working days after receipt. A grievance not resolved in Step 1 and appealed to Step 2 shall be placed in writing, setting forth the nature of the grievance, the facts on which it is based, the provision or provisions of the Agreement allegedly violated, the remedy requested, and shall be appealed to Step 2 within fourteen (14) working days after the Employer-designated representative final answer in Step 1. Any grievance not appealed in writing to Step 2 by the Union within fourteen (14) days shall be considered waived.

STEP 2. If appealed, the written grievance shall be presented by the Union and discussed with the Employer-designated Step 2 representative. The Employer-designated representative shall give the

Union the Employer's Step 2 answer in writing within fourteen (14) working days after receipt of such Step 2 grievance. A grievance not resolved in Step 2 may be appealed to Step 3 within fourteen (14) working days following the Employer-designated representative's final Step 2 answer. Any grievance not appealed in writing to Step 3 by the Union within fourteen (14) working days shall be considered waived.

STEP 3. A grievance unresolved in Step 2 and appealed to Step 3 by the Union shall be submitted to arbitration, subject to the provisions of the Public Employment Labor Relations Act of 1971 as amended. The selection of an arbitrator shall be made in accordance with the "Rules Governing the Arbitration of Grievances" as established by the Public Employment Relations Board.

6.5 Arbitrator's Authority:

A. 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.

B. 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 submitted in writing within thirty (30) days following close of the hearing or the submission of briefs by the parties, whichever is later, unless the parties agree to an extension. The decision shall be 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.

C. The fees and expenses for the arbitrator's services and proceedings shall be borne equally by the Employer and the Union, provided that each party shall be responsible for compensating its own representatives and witnesses. If either party desires a verbatim record of the proceedings, it may cause such a record to be made, providing it pays for the record. If both parties desire a verbatim record of the proceedings, the cost shall be shared equally.

6.6 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 written agreement of the Employer and the Union in each step.

6.7 Choice of Remedy: If, as a result of the written Employer response in Step 3, the grievance remains unresolved, and if the grievance involves the suspension, demotion or discharge of an employee who has completed the required probationary period, the grievance may be appealed either to Step 4 of Article 6 or a procedure such as: Civil Service, Veterans Preference or Fair Employment. If appealed to any procedure other than Step 4 of Article 6, the grievance is not subject to the arbitration procedure as provided in Step 4 of Article 6. The aggrieved employee shall indicate in writing which procedure is to be utilized - Step 4 of Article 6 or another appeal procedure – and shall sign a statement to the effect that the choice of another hearing precludes the aggrieved employee from making a subsequent appeal through Step 4 of Article 6.

ARTICLE 7
WORK SCHEDULES

- 7.1 The sole authority in establishing work schedules is the Employer. Work schedules are not to be changed without five (5) days notice.
- 7.2 The normal work day shall be eight (8) hours.
- 7.3 The normal work week shall be forty (40) hours per week in five (5) consecutive eight (8) hour days, with two (2) consecutive days off.
- 7.4 An employee called back to work during off-duty hours shall receive a minimum of three (3) hours work at one and one-half (1-1/2) times the employee's regular straight-time hourly rate of pay.
- 7.5 An employee reporting for a regularly scheduled shift and not put to work shall receive a minimum of two (2) hours pay at one and one-half (1-1/2) times the employee's regular straight time hourly rate of pay.
- 7.6 Employees may switch shifts, provided they have prior approval in writing and provided, further, such shift shall not serve as the basis for a demand for overtime payment.
- 7.7 In no case shall allowed time not worked be used in computing overtime or shall the hours computed at overtime rates in one case be used again for further overtime calculation in the same work week. Allowed time shall include, but shall not be limited to vacation.

ARTICLE 8
OVERTIME AND PREMIUM PAY

- 8.1 Upon approval of the employee's immediate supervisor, employees shall have the option of taking compensatory time off in compliance with the Federal Fair Labor Standards Act in lieu of overtime. Compensatory time shall not be used in conjunction with vacation days or holidays, unless approved by the employee's supervisor. If compensatory time is selected, there is no cash payout option. Compensatory time earned must be used as time off. Employees are allowed to carry over accumulated, unused compensatory and vacation time from one calendar year to future calendar years, subject to the 160 hour maximum accumulation.
- 8.2 Premium payments shall not be duplicated for the same hours worked, but the higher of the applicable premiums shall apply. Example: Should a holiday and Sunday coincide, only the higher of the two applicable premiums shall be paid.
- 8.3 Whenever practical, overtime shall be distributed on as equitable rotation basis as possible within the departments. All overtime shall be assigned to bargaining unit employees first, provided the employee or employees are qualified and available. A schedule with open shifts shall be posted; in the event said employee or employees are off duty, attempts to contact them by telephone will be made. If no bargaining unit employees are available, the supervisor shall call part time employees that are qualified to work. If no employees are available, the supervisor then would be eligible to fill the shifts. The City agrees to provide a monthly update of employee overtime earned year to date. A record of overtime refused shall also be posted to resolve disputes between employees.

ARTICLE 9
HOLIDAYS

- 9.1 Regular employees shall receive pay at their regular straight time hourly rate for each of the following holidays they are not required to work:
- | | |
|------------------|---------------------------|
| New Year's Day | Columbus Day |
| President's Day | Veterans Day |
| Good Friday | Thanksgiving Day |
| Memorial Day | Friday after Thanksgiving |
| Independence Day | ½ Day on Christmas Eve |
| Labor Day | Christmas Day |
- 9.2 Employees in continuously operated departments who work on a Christmas Eve that is observed as a holiday shall be given an hour of compensatory time off for each hour so worked, up to a maximum of four (4) hours.
- 9.3 Except in continuously operated departments, a holiday falling on Saturday shall be observed on the preceding Friday, and a holiday falling on a Sunday shall be observed on the following Monday.
- 9.4 Employees eligible for the holiday pay provided by this Article who work on any such holiday shall receive the holiday pay which is one and one-half (1-1/2) times the straight time hourly rate, plus pay at their regular straight time hourly rate for all such hours worked. By mutual agreement, such payment for time worked may be in the form of compensatory time off.
- 9.5 In order to qualify for the holiday pay under this Article, an otherwise qualified employee must work their last scheduled work day immediately preceding the holiday and their first scheduled work day immediately following the holiday, unless the absence is for a reason satisfactory to the employee's supervisor.
- 9.6 A paid holiday which occurs during an employee's vacation shall add a day to the employee's vacation period or an extra day's pay.
- 9.7 A paid holiday which occurs on an employee's scheduled work day shall count as time worked in computing overtime.

ARTICLE 10
VACATION

- 10.1 Regular employees shall receive vacations with pay on the following basis:
- | | |
|-----|---|
| 10A | After one (1) year of service, two (2) weeks. |
| 10B | After four (4) years of service, three (3) weeks. |
| 10C | After ten (10) years of service, four (4) weeks. |
| 10D | After nineteen (19) years of service, five (5) weeks. |
| 10E | Employees who are eligible for vacation shall be permitted to take one (1) week of vacation on the basis of one (1) day at a time with advance notice and approval by the employee's supervisor. Except in emergency situations, this week must be taken as time off. |
- 10.2 Vacation weeks are to be taken consecutively, except as set forth in 10E above or where the Employer agrees otherwise.

- 10.3 No vacation of less than one (1) week shall be allowed, except as per Article 10, 10.1, 10E.
- 10.4 Employees shall indicate in writing their preference as to vacation periods by April 30 of each year. In setting vacation schedules, the department head shall consider such preferences insofar as the needs of the service permit, and any conflict as to dates of preference shall be settled on the basis of departmental seniority.
- 10.5 Upon termination of employment for any cause, employees shall be paid for any vacation earned but not taken. Present employees will be required to actually perform work up to their anniversary date to be eligible for the earned vacation benefit. Effective March 1, 1984, new hires would be required to work up to January 1 of the employee's vacation year to be eligible for the vacation benefit if the employee quits, retires, dies or is discharged.*see Addendum.
- 10.6 No more than 160 hours of vacation and compensatory time can be carried over into the next year. There will be no yearly "cash outs" for accrued vacation or compensatory time. However, a maximum of 160 hours can be "cashed out" at end of service.

ARTICLE 11

SICK LEAVE

- 11.1 Sick leave with pay shall be earned by each regular employee at the rate of one and one-quarter (1-1/4) working days for each full month of service or major fraction thereof.
- 11.2 Unused sick leave to an employee's credit may be accumulated from year to year to a maximum of one hundred and twenty-five (125) days.
- 11.3 Sick leave may be used for the following:
- a. Bona fide personal illness.
 - b. Medical examination.
 - c. Local quarantine.
 - d. Work-connected injury, in an amount equal to the difference between the employee's regular pay and benefits being paid to the employee under Worker's Compensation.
 - e. Illness in the immediate family requiring the employee's attendance up to a maximum of three (3) days except as otherwise provided by Minnesota Statutes 181.940 -181.944 which shall apply as it relates to child and child care leave. Immediate family shall be construed to mean the employee's spouse, children, father, mother, brother, sister, grandparents, grandparents of spouse, step-father and mother, step-brother and sister, step-children, legal guardian, father-and mother-in-law, son-and daughter-in-law, sister- and brothers-in-law. The Employer may require a physician's verification of the illness referred to in this subsection. . Effective 8/1/2013, employees will be allowed to use up to 160 hours per year of their personal sick leave benefits provided by the employer for absences due to an illness of or injury to the employee's child, as defined in Section 181.940, Subdivision 4, adult child, spouse, sibling, parent, grandparent, or stepparent, for reasonable periods of time as the employee's attendance may be necessary, on the same terms upon which the employee is able to use sick leave benefits for the employee's own illness or injury. This section applies only to personal sick leave benefits payable to the employee from the employer's general assets.

f. In the case of a death in the employee's immediate family, up to three (3) days sick leave may be used to attend the funeral. Immediate family shall be construed to mean the employee's spouse, children, father, mother, brother, sister, grandparents, grandparents of spouse, step-father and mother, step-brother and sister, step-children, legal guardian, father-and mother-in-law, son-and daughter-in law, sister- and brothers-in-law, aunts, uncles, nieces, and nephews. Up to two (2) days additional sick leave will be granted under this subsection if the employee must travel more than two hundred (200) miles from Hoyt Lakes in connection with such funeral.

- 11.4 Sick leave shall be earned from the beginning date of an employee's continuous service, but may not be taken during the employee's probationary period.
- 11.5 Employees claiming sick leave may be required to file competent written evidence that they have been absent as authorized. If employees have been incapacitated for the period of absence or major fraction thereof, they may be required to prove evidence of again being physically able to perform their duties. Each employee and the employee's department head shall be held accountable for the reasonable, prudent and bona fide use of sick leave privileges.
- 11.6 Claiming sick leave when physically fit, except as provided in this Section, may be cause for disciplinary action. The employee must notify their department head (or other department official if department head is not available) of the need for leave at the earliest possible moment and preferably before the start of scheduled working hours. Failure to make diligent effort to give such notification may result in payroll deduction of such time taken.
- 11.7 Upon request, a doctor's slip or other satisfactory verification must be presented for all sick leave absences over three (3) days. After the three (3) days of absence, the doctor's slip should be provided to the Employer within 48 hours. Employees shall renew such slip every thirty (30) calendar days where absences are extended. The Employer reserves the right to have a physician of its choosing examine an employee on sick leave. The Employer may require a doctor's slip or other satisfactory verification of absence if it feels the employee is abusing sick leave provision.
- 11.8 Sick leave benefits may be denied when employees fail to comply with the verification requirements of this Article or fail to notify their immediate supervisor promptly of their desire to use sick leave.
- 11.9 An employee shall continue to earn sick leave credit when the employee is out of work due to a compensable injury under the Worker's Compensation Act, provided that such injury occurs during the employee's employment with the Employer.
- 11.10 All employees shall receive two personal business days per year. The employee shall notify their supervisor three (3) days in advance of the date taken for personal leave, said days to be deducted from the employee's accumulated sick leave.
- 11.11 For all employees, any earned sick leave shall be taken as such and shall be considered as hours worked.
- 11.12 An employee whose accumulated sick time has exceeded the maximum accumulation of one hundred and twenty-five (125) days shall receive an amount equal to one (1) day's pay at the end of the year into the employee's HCSP. Employees whose accumulated sick time has exceeded the maximum shall receive additional payments into their HCSP based upon years of service up to a total of:
 - 2 days after 20 years of service
 - 3 days after 25 years of service
 - 4 days after 30 years of service

These payments will apply only to those who have reached 125 days of accumulated sick leave. All payments will be issued by February for the preceding year.

ARTICLE 12 **INSURANCE**

- 12.1 Regular employees shall be entitled to insurance benefits outlined herein:
- A. \$20,000 group term life insurance plus \$20,000 Accidental Death and Disability for active employees. Employees who retire shall be given a paid-up life insurance policy in the amount of \$1,500 at the time of their retirement, provided the service requirements of PERA have been met.
 - B. All eligible employees shall be covered by hospital/medical coverage including drugs as per current coverage or its equivalent, and by dental insurance with benefits as per present coverage or its equivalent except that effective September 1, 2004 or as soon thereafter as possible the yearly maximum dental benefit through NMD for Coverage A, B, B1, C is increased from \$750 to \$1,000.
- 12.2 Effective March 1, 2004, the Employer will contribute up to a maximum of \$650.00 per month per employee for the insurance program set forth in 12.1. Any amount of the insurance premium over and above the stipulated applicable maximum rates shall be paid 50% by the employees and 50% by the Employer. These amounts will be in effect for the length of the contract. If in 2008 or 2009 the total insurance premium for the benefits described in 12.1 increases by over 30% from the previous year, the Union, at its discretion, may demand a re-opener for negotiations on this subject only.
- 12.3 Employees who have 25 years continuous employment with the City of Hoyt Lakes and who have reached the age of 55 or those who qualify for a disability pension under the Minnesota Public Employees Retirement Association or Federal Social Security, shall continue to be insured under the then existing hospitalization and medical insurance program covering the employees and their dependents until the time of the retiree's death. The Employer will contribute up to a maximum of \$250 per month per employee towards any insurance coverage (including dependent coverage) until the retiree's death. Any amount of a monthly insurance premium exceeding \$250 will be paid entirely by the employee. This provision applies to employees who retire after March 1, 2004. See Contract Addendum for specific exceptions.
- A. In the case where the retiree is eligible for Federal Medicare, the retiree shall be required to apply for such coverage and shall then be covered by the supplemental then existing plan or its equivalent.
 - B. In the event the spouse of the retiree is under 65 years of age and not eligible for Federal Medicare, the spouse shall continue to be covered under the then existing regular hospital/medical plan until such time as the spouse becomes eligible for Federal Medicare, at which time the spouse will be furnished the supplemental coverage providing the spouse is not covered by any employer retirement financed insurance policy.
- 12.4 Long term disability insurance will be provided by the Employer. Coverage will be 60% of the employee's wage and commence 120 days after the disability is verified in accordance with the insurance document signed by the City for this coverage.
- 12.5 For 2017-2020, the City will continue with the BlueCross BlueShield under BlueAccess HAS Gold \$2,000 Plan 653, while maintaining VEBA account number 007221, offered through Range Reliable Agency, Inc. This plan has a \$2,000 deductible for single employees and a \$4,000 deductible for

those employees on the family plan. The City of Hoyt Lakes will fund 100% of the deductible into the existing VEBA account which is administered by Select Account, a division of BlueCross BlueShield of Minnesota.

For 2017-2020, the City agrees to contribute 100% of the deductible into the VEBA account for those on the single and family plans. For employees hired after the first of the calendar year, they shall receive a pro-rata based contribution of the deductible to their VEBA accounts. The formula shall be 1/12 of the annual amount times the balance of months of employment left in the calendar year (and if the employee starts work for the City before the 14th of the month, the City shall pay the full month's portion). For those on the family plan, the Employee's share of the premium in 2017-2019 will be \$150 per month for the health, dental and life insurance benefits while the City will pay the balance. For those on the single plan, the Employee's share of the premium in 2017-2020 will be \$25 per month for the health, dental and life insurance benefits, while the City will pay the balance.

For 2017-2020, the City will contribute half of their portion of the deductible (\$4,000 family/\$2,000 single) on January 1 and the second half of the deductible on July 1. Any employee who incurs a medical expense greater than the current balance of their VEBA account shall be entitled to an advance of the balance of their annual VEBA contribution by providing proof of the expense.

Dependent children under the age of 26 who are working full time and are offered affordable health care coverage through their place of employment and/or their spouse shall take that offered insurance.

Qualified retired employees and/or their spouses shall enroll in Medicare/Medicaid upon reaching age 65 and shall be furnished with a supplemental plan that maintains the same level of coverage as provided previously, including prescription benefits. Article 12, Section 3 B still applies if the spouse is under 65 and/or if the employee is under age 65.

Active employees and/or their spouses shall enroll in Medicare/Medicaid upon reaching age 65 and shall be furnished with a supplemental plan including prescription benefits to be paid by the City of Hoyt Lakes until the employee retires.

The City and Employees mutually agree to the three-year term of this agreement with the option to look at different health insurance plans to save money and a re-opener by either the City or Employees for rate and/or plan changes and other unforeseen circumstances.

In the event the health insurance provisions of this Agreement fail to meet the requirements of the Affordable Care Act and its related regulations or cause the Employer to be subject to penalty, tax or fine, the Union and the Employer will meet immediately to bargain over alternative provisions so as to comply with the Act and avoid any penalties, taxes or fines for the Employer.

ARTICLE 13 **LEAVE OF ABSENCE**

- 13.1 The Employer may approve the absence of an employee, without pay, for a period not to exceed six (6) months, and such leave may be extended once for a similar period.
- 13.2 A written request for an unpaid leave of absence must be made at least three (3) weeks prior to the effective date of the leave of absence.

- 13.3 All Employer-paid insurance benefits are to cease during the period of leave of absence, and the employees shall be required to pay for his/her pro rata share of all insurance costs for any portion of a month when he/she is on authorized leave of absence. Failure to submit premiums as prescribed will result in termination of insurance benefits.
- 13.4 No employee may use a leave of absence for the purpose of accepting employment elsewhere, and a violation of this subsection shall result in termination of employment.

ARTICLE 14
SENIORITY, PROBATIONARY PERIODS

- 14.1 All newly-hired or rehired employees shall serve a ninety (90) day probationary period, during which time the employee may be terminated at the sole discretion of the Employer.
- 14.2 Upon completion of the probationary period, employees shall become regular employees within the meaning of the Agreement and shall be credited with seniority dating from the first date of continuous employment within the bargaining unit.
- A. The principles of seniority shall apply in layoffs, recalls, and transfers, providing however, no regular employee shall be laid off while probationary employees are working and provided, further, the senior employee is qualified to perform the work available. In recalls, the Employer will notify the employee by certified mail, at the employee's last known address as the Employer knows it. A failure to respond to such notice within ten (10) days shall be deemed a resignation.
- B. Notice of job vacancies and new positions within the bargaining unit shall be posted by the Employer for a period of seven (7) working days, and first consideration shall be given to senior employees covered by this Agreement, provided no applicant will be selected unless the applicant:
- a.
 - i. Has the necessary qualifications to meet the standards of the vacancy; and
 - ii. Has the ability to perform the duties and responsibilities of the job vacancy; and
 - iii. Applies within the seven (7) day posting time.
 - b. An employee assigned to a posted job shall be on probation at the employee's recent rate for thirty (30) days, during which time the employee may be returned to their former position upon request or at the discretion of the Employer, but without loss of seniority.
 - c. Employer actions under this subsection shall be subject to review under Article 6.
- 14.3 Regular employees shall not be reduced in pay when temporarily assigned to work in a classification lower in pay than that to which they normally are assigned. For purposes of this subsection, "temporarily assigned" shall be interpreted to mean five (5) consecutive working days.
- 14.4 The Employer shall maintain an appropriate seniority list.

ARTICLE 15
DISMISSAL, DISCIPLINE, RETIREMENT

- 15.1 Regular employees shall be discharged only for just cause.
- 15.2 The Employer shall have the right to impose disciplinary actions on employees for just cause.

- A. Disciplinary actions by the Employer may include any of the following actions based on the severity of the cause: Oral reprimand; Written reprimand; Suspension; Demotion; Discharge. If disciplinary action is to be taken, the form of discipline will generally follow a pattern as listed above; provided, however, that the Employer shall have the right to suspend, demote or discharge an employee for a cause of major significance without first giving a verbal or written reprimand.
 - B Employees who are subject to a written reprimand, suspension, demotion or discharge may grieve such actions through the provisions of Article 6, provided that if no appeal is made on such disciplinary action within seven (7) calendar days of occurrence, this right is waived.
 - C. Employees who are suspended, demoted or discharged shall be notified of such action in writing, a copy of which shall be given to the Union Steward.
- 15.3 Employees wishing to resign in good standing shall provide two (2) weeks written notice. **Employees wishing to retire in good standing will provide thirty (30) calendar day written notice.**

ARTICLE 16 **SEVERANCE**

- 16.1 After completion of fifteen (15) years of continuous service to the Employer as a full-time employee, an employee shall be entitled to receive up to a maximum of 25% of their accumulated sick leave to a maximum of \$2,500 in cash. As per Article 11, Section 11.2, an employee can only accrue up to a maximum of 125 days of sick leave.
- 16.2 This severance pay may be paid out in equal installments over five (5) years or a lump sum at the employee's option.
- 16.3 In the event of the employee's death, payment shall be made to the employee's designated beneficiary or to the employee's estate.
- 16.4 An employee discharged for just cause or terminated as a result of just cause discipline and/or leaves without the required two (2) week notice to the Employer will be ineligible for severance pay. **In order to be eligible for the severance pay in 16.1 an employee will provide thirty (30) calendar day written notice in advance of retirement.**

ARTICLE 17 **WAGES**

- 17.1 Employees shall be paid in accordance with the wages set forth in Appendix A attached thereto and made a part of this Agreement.
- 17.2 Employees called for jury duty shall be paid the difference between the pay for such jury duty and their regular earnings, less travel pay, provided that they shall be at work during their normally-scheduled duty hours that are not disrupted by jury duty.
- 17.3 Employees who are authorized by the Employer to attend training courses, seminars and similar meetings shall be compensated for necessary expenses and shall not lose any pay because of such attendance. The Employer agrees to provide a form which shall be used to obtain prior approval for attendance at meetings covered by this subsection.

17.4 Shift Differentials

A. For the purpose of this Agreement:

- a) All shifts beginning between seven a.m. and ten a.m., inclusive, shall be considered day shifts.
- b) All shifts beginning between three p.m. and six p.m., inclusive, shall be considered afternoon shifts.
- c) All shifts beginning between ten p.m. and one a.m., inclusive, shall be considered night shifts.

B. An employee who begins work at a time different from those specified in Subsection A hereof shall be paid the afternoon shift premium for all hours worked within the prevailing afternoon shift and the night shift premium for all hours worked within the prevailing night shift of the department involved.

Example: The Police Department prevailing afternoon shift is 2 p.m. to 10 p.m., and the prevailing night shift is 10 p.m. to 6:00 a.m. Employees working 7 p.m. to 3 a.m. would be paid four hours afternoon shift premium (7 p.m. to 11 p.m.) and four hours night shift premium (11 p.m. to 3 a.m.)

- C. Employees required to work on Sundays as part of their normal scheduled work week shall receive 1.16 times their regular hourly rate for all hours worked on Sundays. For the purpose of this Section, regular rate of pay shall mean the hourly rate which the employee would have received for the work had it been performed during non-overtime hours. This clause does not negate Article 8, Section 8.1.
- D. Each employee scheduled to work on the afternoon shift shall be paid a premium of thirty cents (\$.30) per hour for all hours worked on that shift, and each employee scheduled to work on the night shift shall be paid a premium of forty cents (\$.40) per hour for all hours worked on that shift.

17.5 Fire Fighting

- A. Employees required to stand by for fire fighting duties shall be paid their regular straight-time hourly rate of pay; if called to perform fire fighting duties by either state or federal authorities, they shall be paid the minimum rate normally paid by authorities or their minimum rate, whichever is the higher.

ARTICLE 18 WAIVER

- 18.1 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.
- 18.2 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 in this Agreement, even though such terms and conditions may not have been within the knowledge or contemplation of either or both parties at the time this contract was negotiated or executed.

- 18.3 The Employer will not replace full-time contract employees with part-time personnel in the event of a retirement, death, etc., of a contract employee.

ARTICLE 19
SAFETY PROGRAM

- 19.1 The Employer and the Union agree to a Safety Committee with members from each side. Such committee shall have the responsibility for the establishment of safety rules and regulations for the purpose of protecting and enforcing the general safety program within the City of Hoyt Lakes.

ARTICLE 20
SAVINGS CLAUSE

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

ARTICLE 21
POST RETIREMENT HEALTH CARE PLAN

- 21.1 AFSCME Basic Unit employees are authorized to participate in the Post Retirement Health Care Plan (PRHCP).
- 21.2 The participation rate will be an employee contribution of **fifty (\$50)** dollars per month with a matching **fifty (\$50)** dollars from the employer.


ARTICLE 22
DURATION

- 22.1 Except as otherwise specified, this Agreement shall be effective on **March 1, 2017** and shall continue in effect until **February 28, 2020** and either party shall serve written notice ninety (90) days prior to such termination date of its desire to amend or terminate this Agreement.

IN WITNESS WHEREOF, the parties have set their hands and seals this 27th day of February, 2017.

CITY OF HOYT LAKES, MINNESOTA

AFSCME LOCAL UNION NO. 2780



David Zins
Vice-Mayor



Amanda Metsa, Staff Representative

3/6/17
Date



Attest: Rebecca J. Burich
Clerk/Treasurer



Mark Isaacson, Union 2780 President

CONTRACT ADDENDUM

ARTICLE 10.5 - Clarification

Examples:

EMPLOYEES HIRED PRIOR TO MARCH 1, 1984:

<u>Employee</u>	<u>Hire Date</u>	<u>*Termination Date</u>	<u>Vacation Entitlement by years</u>
A	9/1/83	02/01/85	1983 - 0 weeks 1984 - 2 weeks after 9/1/84 1985 - 2 weeks Special payment upon termination - 0 weeks
B	1/31/84	11/01/85	1984 - 0 weeks 1985 - 2 weeks after 1/31/85 Special payment upon termination - 9/12 = 75% of 2 weeks (80 hours)= 60 hours

EMPLOYEES HIRED AFTER MARCH 1, 1984:

D	4/1/84	12/31/86	1984 - 0 weeks 1985 - 2 weeks after 4/1/85 1985 - 2 weeks Special payment upon termination - 0 weeks
E	6/28/84	1/2/86	1984 - 0 weeks 1985 - 2 weeks after 6/28/85 1986 - 0 weeks Special payment upon termination - 2 weeks

* Last day actually worked.

CONTRACT ADDENDUM
Article 12.2

It is agreed that the City and the AFSCME Basic Unit will consider alternative health care plans to the existing employee health care plan. A committee will be formed to study alternative employee health care plans. If an alternative employee health care plan is proposed, the City and the AFSCME Basic Unit agree to reopen negotiations on this subject and agree to bargain in good faith on the specific terms relative to any proposed alternative employee health care plan. If agreement on an alternative employee health care plan or its specific terms cannot be reached, then the provisions of Paragraph 12.2 will continue for the duration of this agreement.

CONTRACT ADDENDUM

ARTICLE 12.3 - Clarification

1. Specifically excepted from the terms set forth in Article 12; 12.3; Retiree Insurance are Wesley Boyle and Keith Johnson. These two employees will be "grandfathered" under the terms of Article 12; 12.3 of the agreement covering March 1, 1995 through February 28, 1998. After 10 years of continuous service with the City, if they have reached a retirement age acceptable to the Minnesota Public Employees Retirement Association or Federal Social Security or a retirement age mutually agreed to and set between the parties of this agreement or if they qualify for a disability pension under the above-mentioned programs, they shall continue to be insured under the then existing hospitalization and medical insurance program covering the employees and their dependents until the time of the retiree's death. The Employer will contribute up to a maximum of \$190.00 per month, including dependent coverage, for these two employees should they retire during the term of this agreement. Any monthly insurance premium over the amount of \$190.00 shall be paid 50% by the employees and 50% by the employer.
2. All terms set forth in Article 12; 12.3 Retiree Insurance of this current agreement shall also apply to employees Gary Lund, Linda Heruth, and Henry Ruotsalainen except that these three employees specifically will be eligible for this benefit if they have 10 years continuous employment with the City of Hoyt Lakes and have reached the age of 60 or qualify for a disability pension under the Minnesota Public Employees Retirement.

APPENDIX A
WAGE SCHEDULE

- A. Effective March 1, 2014, all future new hires shall be paid in accordance with the following progression Schedule:

New employees, upon start, will be paid at 90% of the hourly wage. Upon reaching their one (1) year anniversary, employees will be paid at 95% of the hourly wage. Upon reaching their two (2) year anniversary, employees will be paid at 100% of the hourly wage.

If a new hire has two or more years of full time equivalent experience, the starting wage may be negotiable at the discretion of the City Council and with the agreement of the union and the new hire.

- B. The employee's anniversary date of hire shall apply for wage advancements under the wage progression Schedule set forth above.
- C. No employee shall suffer a reduction in pay by implementation of the wage schedule and progression Schedule set forth herein.
- D. The City shall reimburse employees up to \$150.00 every other year for safety boots and/or clothing.
- E. Employees shall be paid in accordance with the following schedule:

APPENDIX A
Wage Schedule - AFSCME Basic Unit

Amount of Raise	2017	2%			
	2018	2%			
	2019	2%			
	2016		2017	2018	2019
Job Classification	Hourly		Hourly	Hourly	Hourly
Working Foreman	\$ 27.95		\$ 28.51	\$ 29.08	\$ 29.66
Mechanic	\$ 24.52		\$ 25.01	\$ 25.51	\$ 26.02
Equipment Operator	\$ 24.52		\$ 25.01	\$ 25.51	\$ 26.02
Utility Person	\$ 23.19		\$ 23.65	\$ 24.12	\$ 24.60
Utility Labor	\$ 22.49		\$ 22.94	\$ 23.40	\$ 23.87
Janitor	\$ 21.30		\$ 21.73	\$ 22.16	\$ 22.60
Operator Utilities	\$ 25.29		\$ 25.80	\$ 26.32	\$ 26.85
Combination Specialist I	\$ 25.29		\$ 25.80	\$ 26.32	\$ 26.85
Combination Specialist II	\$ 25.29		\$ 25.80	\$ 26.32	\$ 26.85
<p>New Employees, upon start, will be paid at 90% of the hourly wage. Upon reaching their 1 year anniversary, employees will be paid at 95% of the hourly wage. Upon reaching their 2 year anniversary, employees will be paid at 100% of the hourly wage.</p>					