

AGREEMENT

BETWEEN

THE CITY OF EVELETH, MINNESOTA

AND

BASE UNIT

**THE AMERICAN FEDERATION OF STATE, COUNTY
AND MUNICIPAL EMPLOYEES, AFL-CIO**

LOCAL UNION NO. 484

JANUARY 1, 2016 – DECEMBER 31, 2018

TABLE OF CONTENTS

| | | |
|----------------|-------------------------------------|----|
| ARTICLE I | Recognition | 3 |
| ARTICLE II | Employer Authority | 3 |
| ARTICLE III | Checkoff | 3 |
| ARTICLE IV | Hours of Work | 4 |
| ARTICLE V | Vacations and Sick Leave | 5 |
| ARTICLE VI | Holiday Provisions | 6 |
| ARTICLE VII | Seniority | 7 |
| ARTICLE VIII | Demotions, Dismissals and Transfers | 8 |
| ARTICLE VIII-A | Condition of Employment | 8 |
| ARTICLE IX | Grievance Procedure | 8 |
| ARTICLE X | Wages | 10 |
| ARTICLE XI | Health and Welfare | 10 |
| ARTICLE XII | Retirement Benefits | 11 |
| ARTICLE XIII | Subject for Suspension or Discharge | 13 |
| ARTICLE XIV | Suspension and Discharge Cases | 14 |
| ARTICLE XV | General Provisions | 14 |
| ARTICLE XVI | Duration of Agreement | 16 |
| APPENDIX A | Salary Schedule | 17 |

AGREEMENT

The Council of the City of Eveleth, Minnesota, hereinafter referred to as the "Council", desires to adopt as a matter of policy those practices which have come to be recognized as fair and just in dealings between management and labor, and the Council has conferred with the representatives of Local Union No.484, American Federation of State, County and Municipal Employees, AFL-CIO, with respect to said Agreement. The Council, in order to make said Agreement effective, adopts wages, hours, and all other conditions with respect to all employees of the City of Eveleth, excluding elective employees, Police, Fire, Supervisory, Confidential Employees, and part-time workers as per PELRA.

ARTICLE I RECOGNITION

Section A. This Agreement covers the period from January 1, 2016 through December 31, 2018.

Section B. The Council hereby recognizes Local Union No. 484, American Federation of State, County and Municipal Employees, AFL-CIO, as the duly authorized bargaining representative of all employees of the City of Eveleth who are members of the Union in good standing.

Section C. The Employer and the Union agree that there shall be no discrimination in the work place in violation of applicable law because of race, color, religion, creed, national origin, sex, age, disability, marital status, veterans status, membership in the National Guard, state defense force, any reserve component of the military forces of the United States, or any other basis prohibited by Federal or State law, e.g., American with Disabilities Act. In view of the availability and expertise of other forms for determining issues under this Section, alleged violations of this Section by the Employer or the Union are subject to the grievance procedure under this contract up to but not including arbitration.

ARTICLE II EMPLOYER AUTHORITY

Section A. 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.

ARTICLE III CHECKOFF

Section A. In recognition of the Union as the exclusive representative:

1. The Employer shall deduct an amount each pay period sufficient to provide the payment of regular dues and/or other Union approved deductions, established by the Union, from the wages of all employees authorized, in writing, such deduction on a form mutually agreed upon by the

Employer and Union; and the deduction of dues shall commence 30 working days after initial employment with the Employer, and

2. The Employer shall remit such deductions to AFSCME Council 65 Administrative Office (118 Central Avenue, Nashwauk, MN 55769) with a list of the names of the employees from whose wage deductions were made along with other pertinent employee information necessary for the collection and administration of union dues, preferably in an Excel formatted report that may be electronically transmitted or by U.S. Mail; and

3. The Union shall provide the formula or schedule (if applicable) to calculate the actual dues deduction to the Employer and will provide a spreadsheet that can be used to calculate the actual dues along with any set amount for local assessments in an electronic Excel format or via U.S. Mail.

Section B. Fair Share/Agency Fee. The Union may collect an Agency Fee or Fair Share Fee, in an amount determined by the Union, from bargaining unit members who choose not to become members of the Union. However, any such fees so collected by the Union shall be accomplished in accordance with the applicable terms of Minn. Stat. Sect. 179A, Subd. 3.

Section C. The Union agrees to indemnify and hold the Employer harmless against any and all claims, suits, orders or judgments brought or issues against the Employer as a result of action taken by the Employer under all provisions of this Article.

ARTICLE IV HOURS OF WORK

Section A. The normal hours of work shall be eight (8) hours per day and forty (40) hours per week. Hours worked in excess of the above-mentioned hours will be paid for at time and one-half (1-1/2) rates or compensatory time off at time and one-half (1-1/2) rates. Comp time for Public Works employees shall be allowed to accrue from November of each year and all employees shall be allowed to cash out comp time any time during the fiscal year. Employees of the Hippodrome shall be allowed to accrue from October 1st of each year and may be cashed out any time during the fiscal year.

The City, on behalf of all employees, will deposit the value of all unused accrued comp time as of November 1 of each year into the employee's individual Health Care Savings Plan account with the Minnesota State Retirement System. There shall be no carry over of comp time from one fiscal year to the next.

Section B. A fifteen (15) minute rest period shall be provided each employee from 9:00 am to 9:15 am and from 2:00 pm to 2:15 pm, as the workloads permit. In the discretion and with the approval of the Public Works Director or supervisor (City Clerk/Administrator, Police Chief, Assistant Public Works Director), the above times may be waived or altered.

Section C. Employees working four (4) consecutive hours of overtime or longer shall receive a paid lunch break of 30 minutes with lunch paid for by the City.

Section D. Public works employees call out time: 3 hours minimum before midnight; 4 hours minimum between midnight and 7:00 am. This does not apply to scheduled call outs (e.g., snowplowing, sweeper, etc.).

ARTICLE V VACATIONS AND SICK LEAVE

Section A. All full-time employees shall receive vacation as follows:

| <u>Years of Service</u> | <u>Accrual/Pay Period</u> | <u>Total Accumulated Per Year</u> |
|-------------------------|---------------------------|-----------------------------------|
| 1 st year | 1.67 hours | 40 hours |
| After 1 year | 3.33 hours | 80 hours |
| After 4 years | 5.0 hours | 120 hours |
| After 9 years | 6.67 hours | 160 hours |
| After 14 years | 8.33 hours | 200 hours |
| After 24 years | 10.0 hours | 240 hours |

Section B. From January 1st to April 15th of each calendar year, department heads will consult with all regular employees entitled to vacation, and from such consultations, a working schedule for vacation periods shall be established. In determining vacation schedules, the wishes of the employees shall be respected as to the time of taking vacations, insofar as the needs of service will permit. Employees shall be able to carry over up to one (1) years worth of vacation.

Section C. All full-time regular employees shall receive 6.67 hours sick leave per pay period with accumulation to 960 hours. An employee may utilize sick leave for absences necessitated by illness, disability, child bearing, or child-bearing-related problems, necessary medical and dental care, possible exposure of other employees or the public to infections or contagious disease, or by illness to persons covered under the FMLA. Sick leave taken to care for an employee's sick child shall be limited to such periods as the employee's attendance with the child may be necessary. When an employee requests sick leave for a medical or dental appointment during working hours, proof must be provided to the employee's supervisor prior to approval of the employee's time sheet. Said proof shall include the start and end time of said appointment. Family Medical Leave will run concurrently with any other leave.

Section D. Sick leave with pay will not be given to any employee for the first three days of absence from work due to illness, unless such employee notifies his foreman or supervisor on the first day of or before such absence. After three days absence, the Council shall require a doctor's certificate before any sick leave with pay is given. And for less than three days absence, the Council may require a doctor's certificate before any sick leave with pay is given. It is agreed the Family Medical Leave Act is governed per Federal Law. Leave granted per the Family Medical Leave Act or Minnesota Leave Law shall run concurrently with any other accrued leave.

Section E. An employee that has 120 days of sick leave accumulated on December 1st of any given year shall be eligible for incentive pay on November 30th of the following year, based on the number of sick leave days used during this twelve month period in accordance with the following:

| | |
|--|-------|
| No sick leave used during twelve month period | \$200 |
| One (1) day or less used during twelve month period | \$100 |
| Two (2) days or less used during twelve month period | \$50 |
| More than two (2) days used during twelve month period | \$0 |

Incentive pay will be deposited into employee's individual MSRS account.

Section F. All regular employees working less than full time shall be granted sick leave, vacation benefits, personal leave, and funeral leave on a pro-rated basis. For the purpose of computing these pro-rated benefits, twenty-two days shall constitute the normal work month.

Section G. The Council, at its own discretion, may ask an employee to take a physical by a doctor designated by the City Council when it is necessary to verify sick leave of an employee. If the employee refuses to take said physical, sick leave shall be terminated.

Section H. Three (3) consecutive days absence with pay shall be granted to all full-time employees covered under the terms of this Agreement in the event of a death of a member of his/her or their spouse's immediate family, namely: father, mother, wife, husband, son, daughter, sister or brother, stepfather, stepmother, stepchild, stepbrother, stepsister, grandchild, immediate grandparents or an adopted son or daughter or grandchild when they have lived in a family relationship, close personal friend who lives in the same household in a family relationship, provided that one (1) of the three (3) consecutive days shall be the day of the funeral. Employees shall be permitted to attend the funeral of any other immediate relative (i.e., aunt, uncle, legal ward, legal guardian) without the loss of pay, not to exceed one (1) day. Said day shall be the day of the funeral. Employees who work less than full time shall be allowed to make up for time lost for these reasons.

Section I. All new employees hired shall serve a probationary period of six months.

Section J. A personal leave of absence requested in writing may be granted by mutual agreement between the Union and the City. Leaves shall be reevaluated every 30 days.

Section K. All employees shall be allowed to utilize five (5) personal leave days (40 hours) annually (non-accumulative).

Section L. Public Works Employees. The supervisor of the Public Works Department shall post monthly the accrual of sick leave, vacation, and compensatory time of each employee.

ARTICLE VI HOLIDAY PROVISIONS

Section A. All regular employees shall receive the following paid holidays:

| | | |
|------------------------|----------------|-------------------------------|
| New Years Day | Fourth of July | Thanksgiving Day |
| Martin Luther King Day | Labor Day | Friday after Thanksgiving Day |
| Presidents Days | Veterans Day | Christmas Day |
| Memorial Day | | |

Section B. An employee required to work on a holiday shall receive time and one-half (1-1/2) pay, plus one day's pay. If an employee is not scheduled to work, he shall receive one day pay.

If a holiday falls on Saturday, the preceding Friday shall be considered as the holiday. If a holiday falls on Sunday, the following Monday shall be considered the holiday.

ARTICLE VII SENIORITY

Section A. Seniority shall be determined on the basis of total length of continuous employment with the City of Eveleth, not to include overtime hours, in the bargaining unit once the probationary period has been completed. This Section shall not apply to temporary, casual, or seasonal employees.

Section B. Employees shall be laid off and rehired on the basis of seniority; that is, a senior employee shall be given preference over the junior employee on any job in the category of work involved.

Section C. An employee shall lose his position on the seniority list for the following reasons: resignation, voluntary quitting, discharge for cause, and layoff of more than one year's duration.

Section D. Employees shall maintain their position on the seniority list notwithstanding absence due to sickness, injury, attendance upon a labor convention, temporary layoff, disciplinary action involving absence of less than thirty (30) days, or for leave of absence.

Section E. It shall be the policy of the Council to fill vacancies by promotion. Provided the employee is qualified for the position, preference shall be given to the senior qualified employee.

Section F. Notice of all vacancies and newly-created positions shall be posted on employees bulletin boards, and the employees shall be given seven (7) calendar days' time in which to make application to fill the vacancy or new position. The senior employee making application shall be transferred to fill the vacancy or new position, provided he has the necessary qualifications to perform the duties of the job involved. The Council shall make the determination as to whether or not an applicant possesses the necessary qualifications. In the event the Union does not concur in the determination, the applicant shall have the right of appeal through the normal grievance procedure. Newly created positions or vacancies are to be posted in the following manner: the type of work, the place of work, the rate of pay, the hours to be worked, and the classification.

Section G. Employees temporarily transferred to another Department shall be considered at the bottom of the seniority list when it comes to the assignment of jobs.

Section H. For the purpose of call-outs, it shall be by departmental seniority within each department.

ARTICLE VIII DEMOTIONS, DISMISSALS AND TRANSFERS

Discharges, demotions or transfers to a lower classification shall be made only for just cause. The Union Grievance Committee and the employee affected shall receive prior notice in writing of any such action. Upon request of the employee or his representative, a hearing within ten (10) days shall be held, at which the employee and the Union shall have the right to present witnesses, introduce evidence, and to examine witnesses and evidence presented against him. A written record of the hearing before the Council shall be taken, and the employee and the Union Grievance Committee shall be entitled to a copy of the record. In case of dismissal, the salary of the employee shall be suspended during the period in which the investigation takes place, but his or her name shall not be removed from the payroll. In the case where dismissal or discharge has been proven unjustified and the employee returns to his former status, the loss of pay involved shall be restored.

ARTICLE VIII-A CONDITION OF EMPLOYMENT

The above shall not pertain to new employees who have worked less than sixty (60) working days.

ARTICLE IX GRIEVANCE PROCEDURE

The Council shall attempt to adjust all grievances with its employees which may arise by virtue of these regulations or otherwise in the following manner.

Section A. The Employer agrees to permit the negotiating or grievance committee to appear at all negotiations or pre-arranged grievance meetings with department heads or the Employer in negotiations or disputes without loss of pay. The Union representative shall also have access to the premises of the Employer at reasonable times to investigate grievances and other problems with which they are concerned.

Section B. A duly authorized grievance committee representing the Union shall be named by the Union and a list of names of members of the committee will be submitted to the Mayor and City Council each year following the Union's annual meeting.

Section C. Step 1. An employee or group of employees claiming a violation concerning the interpretation or application of this contract shall, within twenty (20) working days after such alleged violation has occurred, present such grievance to the employee's immediate supervisor. The supervisor will discuss and give an answer to such Step 1 grievance within five (5) working days from the date of the grievance meeting between the parties. In the event the grievance is unresolved, the grievant or the Union shall have seven (7) working days after the supervisor's final answer to submit the grievance to Step 2. Any grievance not appealed in writing to Step 2 by the Union within seven (7) working days shall be considered waived.

Step 2. If appealed, the written grievance shall be presented by the Union and discussed with the City Clerk/Administrator. The City Clerk/Administrator shall give the Union the Employer's Step 2 answer in writing within ten (10) working days after receipt of such

grievance. A grievance not resolved in Step 2 may be appealed to Step 3 within ten (10) working days following the City Clerk/Administrator's final Step 2 answer. Any grievance not appealed in writing to Step 3 within ten (10) working days shall be considered waived.

Step 3. If appealed, the written grievance shall be presented by the Union and discussed with the City Council within thirty (30) days. The City Council shall give the Union the Employer's Step 3 answer in writing within ten (10) working days after hearing such grievance. A grievance not resolved in Step 3 may be appealed to Step 4 within ten (10) working days of the City Council's final Step 3 answer.

Step 3A. Prior to going to arbitration, either party to the Agreement may request mediation of the grievance by the Minnesota Bureau of Mediation Services. Such request must be made within ten (10) working days following the decision in Step 2. The time limit for requesting arbitration is tolled during mediation and if mediation does not resolve the grievance, arbitration may commence as hereafter provided.

Step 4. A grievance unresolved in Step 3 or Step 3A and appealed to Step 4 shall be submitted to arbitration subject to the provisions of the Public Employment Labor Relations Act, Minnesota Statutes 179A, as amended. A request to submit a grievance to arbitration must be in writing, and such request must be submitted to the City Clerk/Administrator. No grievance shall be considered by the arbitrator which has not been first duly processed in accordance with the grievance procedure and appeal provisions.

Subd. 1. Selection of Arbitrator: Upon the proper submission of a grievance under the terms of this procedure, the parties shall request the Bureau of Mediation Services to send them a list of arbitrators so that the parties can select the arbitrator who will hear and decide the case. Upon receiving the list, the method in the selection shall be by virtue that each of the parties shall eliminate one name until one name remains. The remaining name shall be the arbitrator who shall make his decision regarding the grievance and which shall be binding on the parties. The grieving party shall strike the first name.

Subd. 2. Hearing: The grievance shall be heard by a single arbitrator, and both parties may be represented by such person or persons as they may choose and designate, and the parties shall have the right to a hearing at which time both parties will have the opportunity to submit evidence, offer testimony, and make oral and/or written arguments relating to the issues before the arbitrator. The proceedings before the arbitrator shall be a hearing de novo.

Subd. 3. Expenses: The fees and expenses for the arbitrator's services and proceedings shall be borne equally by the parties. Each party shall be responsible for compensating its own representative 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 borne equally.

Subd. 4. 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 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 and 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 submission of briefs by the parties, whichever be 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 of application of the express terms of this Agreement and to the facts of the grievance presented.

ARTICLE X WAGES

The wage and salary schedule, as found in Appendix "A" hereto attached, shall remain in full force and effect. The Council further agrees, on written demand, to negotiate with the City employees through their representative on revising wages, schedules, and classifications of the various positions.

ARTICLE XI HEALTH AND WELFARE

The Council will provide health and welfare coverage for employees under the Minnesota Statutes.

Section A.

For 2016-2018, see agreement between THE CITY OF EVELETH, MINNESOTA and BASE UNIT, THE AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, AFL-CIO LOCAL UNION NO. 484 REGARDING HEALTH INSURANCE COVERAGE, January 1, 2016 – December 31, 2018.

For active employees only, the employee's medical premium contribution per month shall be pursuant to the terms of the aforementioned agreements.

Section B. The Council shall provide \$10,000 group term life insurance policy with a \$1,500 paid-up policy at retirement. The Council is to pay the full cost of the above coverage.

Section C. The Council shall provide dental coverage with full payment for single or family premiums with coverage per individual to a maximum of \$1,000.00 per year.

Section D. If an employee shall believe that there exists an unsafe condition, changed from the normal hazards inherent in the operations, so that the employee is in danger of injury, he shall notify the Director of Public Works or his designee of such danger and of the facts relating thereto. Thereafter, unless there shall be a dispute as to the existence of such unsafe condition, he shall have the right, subject to reasonable steps for protecting other employees and the equipment from injury, to be relieved from duty on the job in respect of which he has complained and to return to such job when such unsafe condition shall be remedied. The Director of Public Works or his designee shall assign such employee to other available work.

If the existence of such unsafe condition shall be disputed, the President of AFSCME Local No. 484 or his designee, and the City's representative or its designee, shall immediately investigate such unsafe condition and determine whether it exists.

Investigation party shall have the following:

One (1) Union representative
Endangered employee
Director or Public Works or Assistant Director
City Clerk/Administrator

Section E. A safety committee shall be established consisting of three (3) Union members and three (3) management members. Such committee shall meet at least one a month to deal with safety issues and safety training.

ARTICLE XII RETIREMENT BENEFITS

Medical Benefits

Section A. 1. The stipulations of Section A. are applicable to a maximum of one qualifying employee per year retiring and with a maximum of three qualifying employees retiring from Local No. 484 bargaining unit at any one time while being covered by this provision in regard to the one maximum per year. If more than one employee was opting, seniority would be the determining factor.

2. FOR EMPLOYEES HIRED BEFORE 1/1/2011 – An employee (“retiree”) with at least 20 years of service with the City of Eveleth (“City”) who meets PERA eligibility criteria for retirement, and who retires before the age of 60, shall continue to receive, for a period of five (5) years from the date of the individual’s retirement, City paid group health insurance benefits which shall include the same VEBA contribution into his/her individual account as the active employees in the AFSCME Local 484 bargaining unit for each respective plan (single or family). City’s monthly health insurance premium contribution for the retiree shall be the same amount as that applicable to the active employees in the AFSCME Local 484 bargaining unit. After the five (5) year period, the retiree may elect to continue coverage under the City’s group health insurance program with the retiree paying 100% of the monthly premium and 100% of any and all deductibles and co-pays.

The City, on behalf of the retiree, will deposit 50% of the retirees sick leave balance at the time of retirement into the retiree’s individual Health Care Savings Plan account with the Minnesota State Retirement System. After separation, the retiree may choose to be reimbursed for eligible medical expenses, such as health care premiums and deductibles, from their Health Care Savings Plan until the funds are exhausted.

3. FOR EMPLOYEES HIRED BEFORE 1/1/2011 – An employee (“retiree”) with at least 20 years of service with the City of Eveleth (“City”) who meets PERA eligibility criteria for retirement and who retires after the age of 60, shall continue, to the age of 65, to receive City paid group health insurance benefits, which shall include the same VEBA contribution into his/her individual account as the active employees in the AFSCME Local 484 bargaining unit for each respective plan (single or family), and with the City’s monthly health insurance premium contribution for the retiree to be the same as that applicable to the active employees in the AFSCME Local 484 bargaining unit. When the retiree reaches age 65 and transitions to coverage under Medicare, the retiree shall have the option of purchasing a Medicare

supplemental health insurance plan ("Medicare supp") (which is not provided for through the City's group health insurance program). If the retiree elects to purchase a Medicare supp, then the City will provide \$200.00 per month to the retiree for the retiree to use towards purchasing the Medicare supp. \$200.00 per month will be reimbursed to the employee upon the City's receiving proof of Medicare supp coverage and an invoice for such paid by employee. Reimbursements to the employee will not be made more than one time per month. The duration of this City contribution for the retiree's Medicare supp shall be for a period of time equal to the difference between the retiree's age when he/she retired from City employment and age 60, with a maximum duration of 5 years.

Example: Eligible employee retires from City employment at age 63. Retiree will receive City paid health insurance coverage, under the City's group health insurance program, until age 65; and then the retiree will receive City contribution of \$200 per month for a period of 3 years to be used by retiree for purchase of Medicare supp.

Example: Eligible employee retires from City employment at age 61½ (i.e., 61 years and 6 months old). Retiree will receive City paid health insurance coverage, under the City's group health insurance program, until age 65; and then the retiree will receive City contribution of \$200 per month for a period of 18 months to be used by retiree for purchase of Medicare supp.

Example: Eligible employee retires from City employment at age 64 years and 7 months. Retiree will receive City paid health insurance coverage, under the City's group health insurance program, until age 65; and then the retiree will receive City contribution of \$200 per month for a period of 4 years and 7 months (i.e., 55 months) to be used by retiree for purchase of Medicare supp.

Following attainment of age 65, the retiree may elect to continue coverage under the City's group health insurance program (instead of going on Medicare) with the retiree paying 100% of the monthly premium and 100% of any and all deductibles and co-pays.

The City, on behalf of the retiree, will deposit 50% of the retirees sick leave balance at the time of retirement into the retiree's individual Health Care Savings Plan account with the Minnesota State Retirement System. After separation, the retiree may choose to be reimbursed for eligible medical expenses, such as health care premiums and deductibles, from their Health Care Savings Plan until the funds are exhausted.

Section B. FOR EMPLOYEES HIRED BEFORE 1/1/2011 – Upon retirement an employee ("retiree") having 25 years of service or more with the City of Eveleth, ("City") and who attained the age of 60 shall have, to the age of 65, his/her medical premiums paid for by the City and the same VEBA contributions into his/her individual account as the active employees in the AFSCME Local 484 bargaining unit for each respective plan (single or family). Upon attaining age 65, the sick leave provision of Section A.3 will be applicable. (Rest of paragraph remains as is). Those retirees who fall within the stipulations of this Section B shall not be a factor in the "one qualifying employee per year" and "three maximum qualifying employees" rules stated in Section A.1 above

Section C. For employees hired on or after 1-1-2011, there shall be no City paid retiree health or dental insurance benefits.

Section D. All employees, regardless of their hire date, shall receive a \$200 contribution each year, from the City, into the employee's individual Health Care Savings Plan account with the Minnesota State Retirement System. The contribution will be made at the end of each calendar year. Contributions for new employees will be pro-rated the first year of employment based on the employee's start date. Contributions for any separating employees will be pro-rated based on the date of the employee's separation of employment from the City. Contributions for deceased employees will be pro-rated based on the date of employee's death and the contribution payment will be made to the employee's estate.

Dental Benefits

Section A. 1. The stipulations of Section A. are applicable to a maximum of one qualifying employee per year retiring and with a maximum of three qualifying employees retiring from Local No. 484 bargaining unit at any one time while being covered by this provision in regard to the one maximum per year. If more than one employee was opting, seniority would be the determining factor.

2. Beginning December 31, 2007, for employees hired before July 1, 2006 and retiring after 20 years of service for the City, and meeting all PERA requirements, will receive a one-time payment of \$2,500 from the City after their retirement date. The employee may use their accumulated sick leave accrual account (as outlined under Article XII, Medical Benefits) to make dental premium payments if they choose to do so.

3. For employee hired after July 1, 2006 and retiring after 20 years of service for the City, and meeting all PERA requirements, will receive no dental retirement benefits from the City. The employee may use their accumulated sick leave accrual account (as outlined under Article XII, Medical Benefits) to make dental premium payments if they choose to do so.

Section B. Those retirees having 25 years of service or more for the City and who have attained the age of 60, shall not be a factor in the one qualifying employee per year and three maximum qualifying employees at one time Section A.1 stipulation.

ARTICLE XIII SUBJECT FOR SUSPENSION OR DISCHARGE

Section A. Employees shall be disciplined or discharged only for just cause. Disciplinary action shall be progressive and follow the steps listed below:

1. Oral warning;
2. Written warning;
3. Suspension;
4. Discharge

Depending on the severity of the misconduct, discipline need not be progressive and may involve an appropriate suspension or dismissal.

Section B. An employee may be suspended by any department head and/or immediate supervisor, subject to Article XIV, for the following:

Intoxication on the job
Failure to report to work without reason
Misuse of City equipment
Leaving work early
Failure to obey chief, foreman, etc., or
Any other reason detrimental to proper execution of City business

A supervisor shall have the right to send any employee home if his actions are detrimental to the proper execution of his job (without pay).

ARTICLE XIV SUSPENSION AND DISCHARGE CASES

Section A. The purpose of this Article is to provide for the disposition of cases involving suspension or discharge.

Section B. Any employee given a suspension by any department head shall have the right to appeal before the Council with or without counsel.

Section C. Any employee given a discharge shall have the same rights as in the paragraph above.

Section D. Should the Council rule against suspension or discharge, the employee shall be reimbursed for the time lost.

Section E. The Employer and the employee shall give two (2) weeks' notice, in writing, on termination of employment from the City of Eveleth.

Section F. An employee's records shall be purged after a three-year period. An employee being disciplined as outlined in Articles XIII and XIV shall not have their records scrutinized for a period of longer than three (3) years.

ARTICLE XV GENERAL PROVISIONS

Section A. The Union shall be permitted to post notice of its activities upon the employee bulletin boards.

Section B. All matters not covered by this Agreement shall be settled by negotiations between the Mayor and the City Council, and the employees and their representative.

Section C. No change shall be made in any of the above regulations, including those affecting working hours and wage schedules, until the employee and their representative have been duly notified and have been given opportunity to be heard on the proposed change. The duly notified time and opportunity for change shall be no less than twenty-four (24) hours.

Section D. It is agreed that the City shall provide the necessary protective gear (rain suits, gloves and back belts) for those employees of the Public Works Department who find it necessary to have this equipment by virtue of their required work status.

Rain Gear (rubber suits) will be furnished to City employees covered by this contract who are assigned, and where work requires, that employees work where wet conditions exist. Employees shall sign for, and be responsible for, said rain suits. Rain suits will be reissued no oftener than every three (3) years, unless damaged beyond use, with the employee turning in the unusable suit. The determination as to what is unusable shall be up to the Director of Public Works.

Gloves – The city refuses to issue personal work gloves to each employee covered by this contract, but will issue “welding gloves” to those employees whose work assignments require them to burn and/or weld on a regular basis. “Rubberized gloves” will be issued to those employees whose work assignments regularly require them to work in wet conditions or when handling and working with chemicals and solvents. Welding gloves and rubberized glove will be reissued no oftener than every two (2) years, unless damaged beyond use, with the employee turning in the unusable item. The determination as to what is unusable shall be up to the Director of Public Works.

Section E. An employee who is assigned to work in a higher classification shall be paid for all such time at the higher rate of pay.

Employees assigned to fill in for a heavy equipment operator shall receive the higher rate of pay if assigned to work in that classification four (4) hours or more.

Section F. The Employer will provide training to all employees who are required to possess a commercial driver's license to acquire knowledge necessary to pass the commercial driver's license exam. The Employer will make every reasonable effort to schedule the training during normal working hours. If the training does occur during normal working hours, employees shall be permitted time off to participate in the training. The training shall be at the Employer's expense.

All employees will be granted time with pay to take the knowledge test and driving test if required.

Employees shall be reimbursed by the City for the difference between any Class A or B commercial vehicle driver license fee and the regular Class C license.

Section G. This contract can be opened upon the request of AFSCME to discuss employee contribution language to MSRS.


Section H. Notice for Retirement. In order for an employee to be eligible for retiree benefits as described in Article XII of the Agreement, they are required to submit a written notice of their intent to retire or resign from employment 45 calendar days in advance and they shall be prohibited from using any vacation or personal leave time in the last seven (7) working days prior to their effective date of retirement/resignation.

**ARTICLE XVI
DURATION OF AGREEMENT**


This Agreement shall continue in full force and effect from January 1, 2016 through December 31, 2018 and from year to year thereafter unless either party hereto shall give notice thirty (30) days prior to annual expiration date of a desire to terminate or amend this Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals on the date first above stated.

CITY OF EVELETH, EVELETH, MN

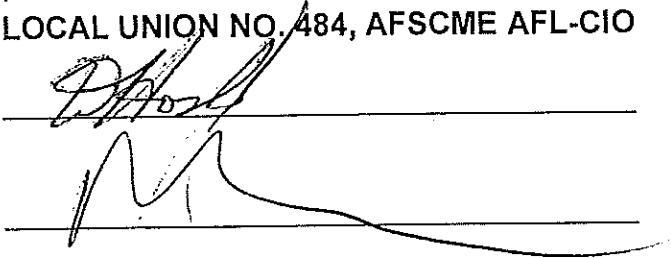


Mayor



City Clerk/Administrator

LOCAL UNION NO. 484, AFSCME AFL-CIO



APPENDIX A SALARY SCHEDULE

*All wages are monthly except for Janitor, Part Time Library Technician,
Part Time Office Clerk and Recycler are per hour wages.*

Wage increases are 2% effective January 1, 2016,
2% effective January 1, 2017, and 2.5% effective January 1, 2018.

| Classification | 2016 Wages | 2017 Wages | 2018 Wages |
|---------------------------------|-------------|-------------|-------------|
| Part Time Office Clerk | \$12.14 | \$12.38 | \$12.69 |
| Recycler | \$13.47 | \$13.74 | \$14.08 |
| Part Time Library Technician | \$21.28 | \$21.70 | \$22.25 |
| Utilities Clerk | \$44,860.71 | \$45,757.93 | \$46,901.87 |
| Janitor | \$44,902.81 | \$45,800.87 | \$46,945.89 |
| Accounting Clerk | \$46,021.40 | \$46,941.82 | \$48,115.37 |
| Utilities Worker | \$46,021.40 | \$46,941.82 | \$48,115.37 |
| Operator/Maintenance Worker | \$46,245.09 | \$47,169.99 | \$48,349.24 |
| Mechanic | \$47,960.10 | \$48,919.30 | \$50,142.28 |
| Police Administrative Assistant | \$47,946.51 | \$48,905.44 | \$50,128.08 |
| Park & Rec Maintenance Worker | \$47,975.88 | \$48,934.38 | \$50,157.74 |
| Heavy Equipment Operator | \$48,422.26 | \$49,390.71 | \$50,625.48 |
| Asst Water/Wastewater Operator | \$51,479.44 | \$52,509.03 | \$53,821.76 |
| Park & Rec Lead Worker | \$49,749.53 | \$50,744.52 | \$52,013.13 |
| Utilities Crew Leader | \$51,509.26 | \$52,539.45 | \$53,852.94 |
| Water/Wastewater Operator | \$57,758.70 | \$58,913.88 | \$60,386.72 |

\$50.00 pay for shift differential for employees who are required to work shifts.

Public Works Employees call out time: 3 hours minimum before midnight; 4 hours minimum between midnight and 7:00 am. This does not apply to scheduled call out (e.g., snowplowing, sweeper, etc.).

Longevity: Longevity pay shall be as follows:

- \$55.00 per month after 5 years
- \$60.00 per month after 10 years
- \$65.00 per month after 15 years
- \$70.00 per month after 20 years
- \$75.00 per month after 25 years

All new employees shall be paid as follows:

- Starting wage – 90% of wage classification for six months
- After six (6) months – 100% of wage classification

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE CITY OF EVELETH, MINNESOTA

AND

BASE UNIT

THE AMERICAN FEDERATION OF STATE, COUNTY
AND MUNICIPAL EMPLOYEES, AFL-CIO

LOCAL UNION NO. 484

AGREEMENT

Subject to the management rights of the City of Eveleth under Article II, Employer Authority, of the Collective Bargaining Agreement between The City of Eveleth, Minnesota and Base Unit The American Federation of State, County and Municipal Employees, AFL-CIO, Local Union No. 484, 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.

The City of Eveleth wishes to provide, on a temporary basis, administrative support to the Eveleth Heritage Committee for the purpose of researching and implementing tactics that further the awareness of the city's history/heritage within the City. The City of Eveleth has identified Mary Ellen Higgins, Library Technician, as the individual to provide the administrative support for the period limited to May 3, 2016 – December 31, 2016, up to 20 hours per month, at her current wage. Ms. Higgins voluntarily indicated a willingness and desire to work the additional hours and provide said administrative support. Acceptance of the additional hours and duties was a voluntary move on the part of Ms. Higgins. Said administrative support is independent from and unrelated to Ms. Higgins' regular duties, and she was not assigned or required to work these additional hours as a part of her current position as Library Technician.

Hours worked will be paid at straight time (no overtime) and will not be used to calculate sick leave, vacation benefits, personal leave, and funeral leave as defined in Article V, Section F. of the Collective Bargaining Agreement between The City of Eveleth, Minnesota and Base Unit The American Federation of State, County and Municipal Employees, AFL-CIO, Local Union No. 484. In no event shall Ms. Higgins actually work in excess of eight (8) hours in a day or forty (40) hours in a week for the City of Eveleth.

During this temporary assignment, Mary Ellen Higgins will work from an office in City Hall and work under the direction of the City Clerk/Administrator.

This Agreement shall continue in full force and effect from May 3, 2016 through December 31, 2016.

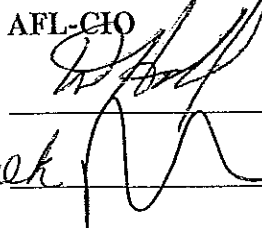
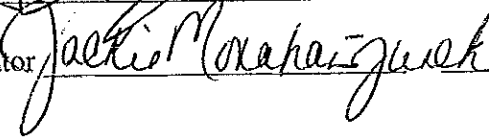
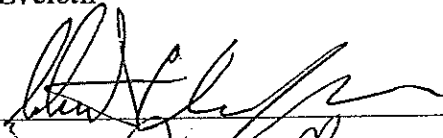
IN WITNESS WHEREOF, the parties hereto have agreed to by your signatures below effective 5/17, 2016.

City of Eveleth

Local Union NO. 484, AFSCME
AFL-CIO

Mayor

Clerk/Administrator



AGREEMENT

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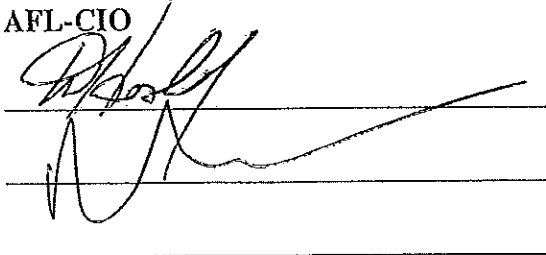
This Agreement shall continue in full force and effect from May 3, 2016 through December 31, 2016.

IN WITNESS WHEREOF, the parties hereto have agreed to by your signatures below effective _____, 2016.

City of Eveleth

Local Union NO. 484, AFSCME
AFL-CIO

Mayor _____



Clerk/Administrator _____

AGREEMENT

Between

THE CITY OF EVELETH, MINNESOTA

And

BASE UNIT

**THE AMERICAN FEDERATION OF STATE, COUNTY AND
MUNICIPAL EMPLOYEES, AFL-CIO
LOCAL UNION #484**

REGARDING HEALTH INSURANCE COVERAGE

JANUARY 1, 2016 – DECEMBER 31, 2018

ARTICLE I

RENEWAL OF VEBA WITH HEALTH REIMBURSEMENT ARRANGEMENT FOR ACTIVE EMPLOYEES AND ELIGIBLE RETIREES

Section 1. Renewal of VEBA. Effective January 1, 2016, Employer shall 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 who exercise their option to enroll in the high deductible health insurance program offered in Section 4, Subdivision 2 of this Article. 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.

Eligible health care expenses will be paid from the FSA (Flexible Spending Account) first, until an individual's FSA account is exhausted, and from the VEBA Plan second.

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

A health reimbursement arrangement for active employees and eligible retirees described in summary and attached as VEBA Attachment #2.

Section 3. Administration and Investment Fees and Expenses. Administration Fees under the Basic Saver Option as of 2010 are \$1.00 per individual account per month. The interest rates on cash deposits under the Basic Saver Option are identified in Schedule A attached hereto. The interest rates on cash deposits may be increased or decreased by SelectAccount from time to time to reflect market conditions.

Administration Fees allocable to individual accounts of active employees and eligible retirees who are participants in the VEBA Plan shall be paid by the Employer. Administrative Fees are subject to change from time to time.

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 are subject to change from time to time. 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 will be applied against a participant's investment in said funds. Investment Fees of current employees and eligible retirees who are active participants in the VEBA Plan shall be paid from individual accounts.

Administration and Investment fees allocable to individual accounts of current employees and eligible retirees who have accrued a balance in the VEBA Plan but change coverage, so that they are no longer entitled to employer contributions, shall be paid from individual accounts. Administration and Investment fees allocable to the individual accounts of former employees shall be paid from individual accounts. Administration and Investment fees allocable to the individual accounts of retirees shall be paid from individual accounts. If the VEBA Plan is

terminated or if Employer Contributions cease by agreement between the parties, account balances Administration and Investment fees shall be paid from individual accounts.

All participants in the VEBA shall be enrolled in the Crossover Program, except as described below, on a date to be determined and communicated in advance. Under the Crossover Program, claims for medical expenses that are not reimbursed through insurance (i.e., subject to the deductible, co-pays or coinsurance) are submitted electronically from the group health plan to the VEBA plan, and reimbursements from the VEBA Plan are automatically generated to employees, either by check, or at the election of the employee, by direct deposit. Participants in the VEBA who do not wish amounts to be automatically debited from their VEBA accounts may opt out of the Crossover Program.

Section 4. Employer Contributions to the Health Reimbursement Arrangement for Active Employees and Eligible Retirees:

Subd. 1. Contributions to the Active Employees & Eligible Retirees Plan: Employer will make an annual contribution to individual accounts under the health reimbursement arrangement for qualifying bargaining unit members and eligible retirees in accordance with the following schedule:

2016

78.5% for each qualified employee and eligible retiree who elects single coverage under the group health plan described in Subdivision 2; and

78.5% for each qualified employee and eligible retiree who elects family coverage under the group health plan described in Subdivision 2.

2017

78.5% for each qualified employee and eligible retiree who elects single coverage under the group health plan described in Subdivision 2; and

78.5% for each qualified employee and eligible retiree who elects family coverage under the group health plan described in Subdivision 2.

2018

78.5% for each qualified employee and eligible retiree who elects single coverage under the group health plan described in Subdivision 2; and

78.5% for each qualified employee and eligible retiree who elects family coverage under the group health plan described in Subdivision 2.

The City will contribute one-half (1/2) of the contribution for the VEBA Plan year on January 1 and the other one-half (1/2) on June 1. At any time after January 1 and before June 1, when the participant incurs one or more claims for an eligible health expense that exceeds the participant's account balance in the VEBA Plan, the Employer shall, at the participant's request, accelerate its

prorated contribution for that year to the extent necessary to reimburse the participant for the claim. The employee must provide proof of the eligible expense before the City will deposit the funds. The total contribution for such participant shall in no event exceed the contribution to which he or she was originally entitled to for that year.

The Employer shall prorate the amount of the Employer Contribution to eligible retirees' individual accounts under the health reimbursement arrangement to reflect the sunset date of the Employer provided retiree health insurance.

If a qualified bargaining unit member or eligible retiree enters the VEBA Plan as a participant on a date after the first day of the VEBA Plan year, the Employer shall prorate the amount of the Employer Contribution to reflect the late entry.

All contributions on behalf of a VEBA Plan participant shall cease on the date the participant is no longer covered under the high deductible health plan in subdivision 2 below. 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.

Subd. 2. High Deductible Health Plan. Employer shall make available a high deductible health plan described in summary and attached hereto as Insurance Attachment #1, to all qualified bargaining unit members and eligible retirees. With respect to qualifying bargaining unit members and eligible retirees, Employer shall contribute the following amount towards the monthly premium cost:

2016

91% for individuals who have elected single or family group health coverage

2017

91% for individuals who have elected single or family group health coverage

2018

91% for individuals who have elected single or family group health coverage

The parties understand that the high deductible health plan described in summary and attached hereto as Insurance Attachment #1 provides that deductibles and out-of-pocket maximums may be increased each year to keep pace with inflation.

This agreement to make contributions towards the monthly premium cost of group coverage or to individual accounts in the VEBA is limited to the duration of this collective bargaining agreement, and does not create lifetime vested rights to such contributions or any other coverage beyond the term of this agreement.

Schedule A

Interest Rates for SelectAccount Deposits as of May 1, 2010

| Tier | Basic Saver |
|----------|-------------|
| \$0 | 0.25% |
| \$25 | 0.25% |
| \$500 | 0.25% |
| \$1,000 | 0.60% |
| \$1,500 | 0.60% |
| \$2,500 | 0.60% |
| \$5,000 | 1.00% |
| \$10,000 | 1.55% |
| \$25,000 | 1.90% |
| \$50,000 | 2.00% |

Rates will vary with market conditions and are subject to change. Interest accrues daily. Deposits are not FDIC insured. VEBA funds are invested in a depository agreement with MII Life, Incorporated, a Minnesota domiciled life insurance company, dba SelectAccount. SelectAccount and its parent company, Blue Cross Blue Shield of Minnesota, guarantee repayment of the principal amount and any interest on deposits.

VEBA Attachment #1

The VEBA Plan 831 and Trust is intended to constitute a Voluntary Employees' Beneficiary Association under Section 501(c)(9) of the Internal Revenue Code. It is comprised of two documents, as follows:

- 1) The Minnesota Service Cooperatives Employee Benefits Trust Agreement, originally effective June 30, 2002 and as restated effective November 1, 2007, by and among Minnesota Service Cooperative VEBA Committee and MG Trust Company, Trustee. The Trustee may be replaced from time to time in accordance with laws and best practices for competitive bidding of governmental contracts.
- 2) The Minnesota Service Cooperative VEBA Plan. The Plan is administered by MII Life, Incorporated, dba SelectAccount. The administrator may be replaced from time to time in accordance in accordance with laws and best practices for competitive bidding of governmental contracts.

VEBA Attachment #2

The arrangements provided by the Employer shall be as follows:

- 1) The Health Reimbursement Arrangement for active employees and eligible retirees is subject to the collective bargaining agreement.

The terms of the arrangement shall be governed by the Minnesota Service Cooperative VEBA Plan, including the Adoption Agreement for the VEBA Plan completed by the Employer hereto attached.

Insurance Attachment #1

High Deductible Plan

VEBA 100 Plan

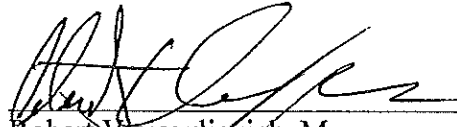
| Deductible | Calendar Year Plan Number |
|--------------------------------------|----------------------------------|
| \$1850 single ded/ \$3700 family ded | <input type="checkbox"/> 831 |

Plan A Drug Plan (Drugs subject to deductible, then 100%)

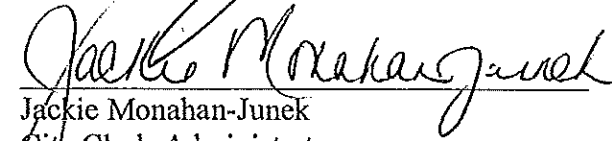
All deductibles may increase with inflation on an annual basis.

Agreed to this 17 day of May, 2016.

For the City of Eveleth:



Robert Vaisavljevich, Mayor



Jackie Monahan-Junek
City Clerk-Administrator

For AFSCME:

