

LABOR AGREEMENT

AFSCME LOCAL #81
Chief of Police

And

THE CITY OF NASHWAUK

NASHWAUK MN

JANUARY 1, 2018 DECEMBER 31, 2020

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AGREEMENT

This Agreement is entered into between the City of Nashwauk, hereinafter referred to as the EMPLOYER, and Local No. 81 of the American Federation of State, County and Municipal Employees, affiliated with the American Federation of Labor and the Congress of Industrial Organizations, hereinafter referred to as the UNION.

ARTICLE I
PURPOSE OF AGREEMENT

Section A.

It is the intent and purpose of the parties hereto to set forth herein the basic agreement covering rates of pay, hours of work, and all other conditions of employment to be observed between the parties hereto.

Section B.

The provisions of this Agreement constitute the sole procedure for the processing and settlement of any claim by an employee or the Union of a violation by the Employer of this Agreement. As the representative of the employees, the Union may process grievances through the grievance procedure, including arbitration, in accordance with this Agreement or adjust or settle the same.

ARTICLE II
DEFINITION OF REGULAR EMPLOYEE

Section A.

The term "regular employee, as used in this Agreement, shall mean Chief of Police who has been employed by the City of Nashwauk or appointed to work for the City of Nashwauk by the City Council.

ARTICLE III
RECOGNITION

Section A.

The Employer hereby recognizes Local Union 81, Minnesota Council 65, American Federation of State, County and Municipal Employees, AFL-CIO, as the exclusive representative for collective bargaining purposes for the Chief of Police of the City of Nashwauk, Nashwauk, Minnesota, in the unit composed of the Chief of Police as per certification by the Bureau of Mediation Services, State of Minnesota, dated March, 1996. No discrimination shall be exercised against any employee because of Union membership or because of race, disability, creed, sex, color, or political belief

Section B.

It has been agreed that the policy of the Employer for the duration of this Agreement will be that it will not enter into, establish or promulgate any resolution, agreement or compact with or affecting said employee as defined, which in any way conflicts with the terms and conditions of this Agreement or with the role of the Union as the exclusive collective bargaining agent for the employee.

ARTICLE IV
RESPONSIBILITIES OF PARTIES

Section A.

Each of the parties of this Agreement hereby acknowledge the rights and responsibilities of the other party and agrees to discharge its responsibilities under this Agreement.

Section B.

The Employer, including its managerial and supervisory representatives at all levels, is firmly bound to observe the conditions of this Agreement.

Section C.

The Union including its officers and representatives and all employees are firmly bound to observe the conditions of this Agreement.

Section D.

In addition to the responsibilities that may be provided elsewhere in this Agreement, the following shall be observed:

- 1. The applicable procedure of this Agreement will be followed for the settlement of all grievances. All grievances shall be considered carefully and processed promptly in accordance with such procedures.*
- 2. There shall be no interference with the rights of employees to become or to continue as members of the Union.*

ARTICLE V
CHECKOFF OF UNION DUES

The Employer agrees to require the payroll department to deduct from the pay check of each employee who has signed an authorized payroll deduction card a sum certified by the Union for Union dues or initiation fees. Such deduction is to be made each month beginning with the month specified on the payroll deduction card. Such deductions shall be transmitted to the Financial Secretary of the Union, along with a list of names of the employees from whose pay deductions were made.

ARTICLE VI
HOURS OF WORK

Section A.

The normal hours of work for the Chief of Police shall be any regularly scheduled hours. All hours worked in excess of the normal workweek shall be compensated for at one and one-half times the regular rate of pay, or may be taken as comp time (1-1/2) at the Chief's discretion. Overtime may be reviewed by the City Council, and the Chief shall account for overtime worked when requested to do so by the City Council. All paid holidays shall be considered as days worked in the computation of overtime.

Section B.

If the Chief is called out for services during his regular scheduled time or regular scheduled days off he shall receive a minimum of two hours time.

Section C.

Employees may accumulate up to one hundred (100) straight-time hours of compensatory time off which would allow for a total of one hundred fifty (150) hours time off. Employees shall have the option each pay period between overtime hours in pay at 1-1/2 rates or in compensatory time off at 1-1/2 rates. Once an employee has accumulated the maximum allowable 100 hours, they shall automatically receive pay for all overtime hours worked. Employees shall be allowed to carry over from year to year the maximum allowable (100), but may not accrue any additional hours of comp time. Upon retirement, a maximum of 50% accumulated comp time may be taken as cash, the balance must be taken as time off.

ARTICLE VII
HOLIDAY PROVISIONS

Section A.

For the purpose of the Agreement, the following days shall be paid holidays:

<i>New Year's Day</i>	<i>Memorial Day</i>	<i>Floating Holiday</i>
<i>Martin Luther King Day</i>	<i>Independence Day</i>	<i>Thanksgiving Day</i>
<i>Presidents Day</i>	<i>Labor Day</i>	<i>Day before Christmas</i>
<i>Good Friday</i>	<i>Veterans Day</i>	<i>Christmas Day</i>
<i>3rd of July</i>		

Section B.

Whenever an employee is required to work on any of the above paid holidays, he shall receive one and one-half(1-1/2) times his regular classified rate of pay for all such hours worked on said holiday, in addition to his regular salary (or comp time at time and one-half(1-1/2)).

When an employee does not work on any of the above holidays, he shall receive cash payment for such holiday above and beyond his monthly salary or his daily wages as holiday pay.

Section C.

When a paid holiday falls during an employee's scheduled vacation, he shall receive an additional day off with pay or an additional day's pay in lieu of a day off

ARTICLE VIII
VACATION

Section A.

Subject to the provisions hereof each eligible employee who has completed the specified hours of work shall receive an annual vacation with pay corresponding to the length of service as shown in the following table:

<u>Years of</u> <u>Continuous Service</u>	<u>Weeks of Vacation</u>
One (1)	One (1)
Two (2)	Two (2)
Five (5)	Three (3)
Ten (10)	Four (4)
Fifteen (15)	Five (5)
Twenty (20)	Six (6)

Section B.

Effective November 1, 1993, an employee shall accumulate one-half (1/2) day of vacation for each month that the employee does not use any sick leave. Any vacation accumulated shall be granted as a block of time off which shall not be taken until after November 30 each year. (For purposes of accumulating vacation days, the year is November 1, 1993 to October 31, 1994, etc.)

Employees shall have the option of taking one-half of their accumulated bonus time as pay, half off in a block of time.

Bonus pay to be paid the first pay period in December.

Section C.

In determining vacation periods, the wishes of the employees will be respected as to the time of taking vacation, insofar as the needs of the service will permit, it being understood that the rights of the senior employee will prevail in the selection of vacation time when an agreement cannot be reached among the employees; provided, further, that employees shall be required to notify the City Council in writing two weeks prior to the vacation schedule period.

Section D.

The Chief shall schedule his vacation time in conjunction with the staffing needs of the department, with every intent to avoid or minimize overtime.

Section E

The chief may carry over (40) forty hours of vacation each year.

Section F.

Should an employee's sick leave benefit be exhausted, he shall have the right to request and receive all vacation credit due him at that time irrespective of the established vacation period explained in Section C above.

Section G.

Upon termination of employment for any cause, an employee shall be paid for any accumulated vacation credit, including pro rata payments for periods of less than one year.

ARTICLE IX
SICK LEAVE

Section A.

All regular full-time employees shall earn sick leave at the rate of 1-1/4 working days for each month of service, accumulative to one hundred thirty (130) working days. Each full month of service shall be construed as 173.3 hours. Once an employee has reached the maximum accumulation of 130 days, additional accumulated sick leave shall be placed in an individual catastrophic sick leave bank which may be utilized by the employee who has exhausted all of their regular sick leave.

Section B.

If a regular employee of the City of Nashwauk shall receive a compensable injury and have accrued benefits under either sick leave or vacation programs, the Employer shall pay the difference between the compensation received by the employee and his regular monthly or yearly rate of pay, same to be deducted from said accrued vacation or sick leave benefits. The Employer will provide for the payments described in this section during the period of disability. It is understood that the additional payments made to the employee over and above that paid by Workmen's Compensation shall not exceed the amount of credits which an employee is entitled to from such accrued vacation or sick leave benefits.

Section C.

After an employee has used all of his accumulated sick leave, he shall be granted a leave of absence without pay for a period not to exceed six months without having his name removed from the payroll. After the six months period has expired, the Employer may review the case and determine whether any further leave shall be granted, said leaves not to exceed two years and are to be subject to a doctor's report for each six months period.

Section D.

Employees who have ten years of service or more with the City and sever employment with the City shall be paid for one-half (1/2) of their accumulated sick leave, 75% after 15 years of service, and 100% after 20 years of service, provided they were not severed by virtue of just cause dismissal.

Section E.

Employees shall not be eligible for sick leave payments from the City for any Worker's Compensation eligible illness or injuries suffered by said employee while in the employ of another employer.

Section F.

The Employer shall provide a policy for Long Term Disability to all eligible employees which will provide for 66-2/3 of the monthly gross income after 90 days of any injury or illness. Said disability insurance shall be paid from the date of eligibility until age 65. During the period of disability an employee shall receive full medical benefits for the first six months and thereafter a single premium medical benefit paid for by the City.

ARTICLE X
DEATH IN THE FAMILY

Section A.

In the event there is a death in the immediate family, three days absence without the loss of pay shall be granted. Immediate family shall be defined as parent, brother, sister, children, and grandparents, of either the employee or his spouse. Two additional days may be allowed for travel or personal business. Such two additional days shall be requested by the employee and approved by the Employer for the purpose of time off without the loss of pay.

ARTICLE XI
SENIORITY

Section A.

It is mutually agreed between the Employer and the Union that both promotional opportunity and job security in the event of a decrease in force or recalls after layoffs shall increase in proportion to an employee's seniority. Therefore, in the administration of this Article, Article X/ it is the intent of both parties that, if practicable, full consideration shall be given to seniority in all such cases.

Section B.

Seniority standing shall be granted to all employees who have attained a regular status by completing one hundred (100) working days of probation as defined in Article II, Definition of Regular Employee, Section A, of this Agreement, such standing to be determined on the basis of total length of employment for the City of Nashwauk. Seniority date of employee attaining such regular employee status shall be the first day of employment. During the probationary period of eight hundred (800) hours or one hundred (100) working days, the employee may be discharged by the Employer without cause and without the same being considered a breach of this Agreement or constituting a grievance hereunder.

Section C.

A regular employee shall lose his seniority standing upon written voluntary resignation from employment with the City of Nashwauk or upon a discharge for cause after a hearing as provided in this Agreement. An employee's seniority shall not be terminated because of absence due to illness, authorized leave of absence, or temporary layoff.

Section D.

Seniority rights of all City employees shall be on a departmental basis, and no employee of any department shall be denied the right of application in accordance with posting procedures for any newly-created position or vacancy that may occur from time to time, providing that such applicant has the necessary qualifications to perform the work.

Section E.

In the event of a layoff, employees shall be laid off according to seniority in the inverse order of hiring. Employees shall be rehired according to seniority in the inverse order of layoffs.

Section F.

In the case of reduction of force or the elimination of a position, the senior employee may exert his seniority preference over a junior employee in any classification of work in the supervisory unit, provided he has the necessary qualifications and the ability to perform the duties of the job involved

Section G.

Nothing herein shall be construed to affect the status of war veterans in contravention of existing laws relating to war veterans employment, discharge or promotion.

Section H.

For any employee hired after January 1, 2005, said employees shall retain lay off and recall rights for a period not to exceed two (2) years from the date of their official layoff. Recall for intermittent shifts shall not change the date of the original lay off, but extended recall for more than 60 consecutive days would constitute a new lay off date. For current employees on layoff, their official lay off date shall be January 1, 2005 and they shall have recall rights until December 31, 2007, unless recalled for more than the above mentioned 60 consecutive days

Section I.

Seniority earned in the Non-Essential Unit may not be used in the Essential Unit, and vice versa.

ARTICLE XII
SUSPENSIONS AND DISCHARGES

Section A.

Prior to the disciplining of the Chief notice shall be given of a time and date for an investigative meeting with the Chief and allowance shall be made to allow the exclusive representative to be present. When there is a good and sufficient reason and the employee may be temporarily suspended for disciplinary reasons, the employee shall be notified of the reason for his suspension and the length of the suspension in writing five days prior to the suspension. If the employee feels he has been suspended without good reason or that the period of suspension is unwarranted, the employee shall have the right of appeal by invoking the normal grievance procedure within ten days of the date of suspension. If it is determined that the suspension was made without good reason, the employee shall be reinstated immediately and shall receive full pay for any pay lost as a result of the suspension.

Section B.

After the completion of the eight hundred (800) hours or one hundred (100) working days probationary period of employment, an employee shall not be removed or discharged, and action to discharge an employee shall be taken by the Employer only after a hearing upon due notice upon stated charges in writing. The statement of charges and a notice of hearing shall be filed with the employee at least ten days in advance of the hearing, the employee and the Union or its representative shall have the right to present witnesses, introduce evidence, and to examine witnesses and evidence presented against him.

The salary of the employee may not be suspended (Weingarten rule) during the period in which the hearing takes place, and his name shall not be removed from the payroll. If reinstated in good standing, there shall be no record of discipline against the employee's personnel file. If it is determined that the employment of such employee is to be terminated, such employee shall receive in cash payment of any accumulated vacation credit or any other fringe benefits that he may be entitled to otherwise as a part of this Agreement. In case of a veteran, the Minnesota Statutes pertaining to veterans preference will prevail.

Section C.

In the event a general layoff is contemplated, the Employer agrees to call in the Union and to discuss the procedure of such layoff prior to any official action by such Employer.

ARTICLE XIII
GRIEVANCE PROCEDURE

Section A.

The Employer and the Union will attempt to adjust all grievances which may arise by virtue of this Agreement or otherwise in the following manner. For purpose of this Agreement, a grievance is defined as a violation of the express terms of this Labor Agreement:

- Step 1 . An effort shall be made to adjust the grievance between the employee and the City Council grievance committee.*
- Step 2 . In the event no settlement is reached, the exclusive representative and the Employer (City Council) will discuss the matter and attempt to settle it. All grievances brought to the attention of the Employer (City Council) must be presented in writing within 30 days of the commission of the alleged grievance.*
- Step 3 Prior to going to arbitration, either party to the Agreement may request mediation of the grievance by the Minnesota Bureau of Mediation Services. Such requests must be made within ten (10) working days following the decision in Step 2. The time limit for the requesting arbitration is tolled during the mediation and if the mediation does not resolve the grievance, arbitration may commence as hereafter provided.*
- Step 4 . If no settlement is reached in Step 2, the grievance shall be submitted to arbitration, and the decision of the arbitrator shall be final and binding on the parties. If the parties are unable to agree upon the appointment of the arbitrator within five days after submission of the grievance to arbitration, either party may then request the Director, Bureau of Mediation Services, State of Minnesota, to furnish a list of seven prospective arbitrators. From this list, each party shall in turn strike one name until one name remains, and the last remaining individual shall be designated as the arbitrator. The grieving party shall strike first. A hearing on the grievance will be held promptly by the arbitrator, and a decision shall be rendered by him within 30 days after the date of the hearing. All expenses and costs of the arbitrator shall be shared and assessed equally to the parties.*

Section B.

Duly authorized representatives of the Union shall have the right to accompany the employee and/or the Union Grievance Committee at all times in the discussion or adjustment of grievances.

Section C. Arbitrator's Authority

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

Section D.

A party instituting any action, proceeding or complaint in a Federal or State Court of Law, or before an administrative tribunal, Federal Agency, State Agency, or seeking relief through any statutory process for which relief may be granted the subject matter of which may constitute a grievance under this Agreement, shall immediately thereupon waive any and all rights to pursue a grievance under this Article. Upon instituting a proceeding in another forum as outlined herein the employee shall waive the right to initiate a grievance pursuant to this Article or if the grievance is pending in the grievance procedure, the right to pursue it further shall be immediately waived. This section shall not apply to actions to compel arbitration as provided in this Agreement or to enforce the award of an arbitrator.

ARTICLE XIV
GENERAL PROVISIONS

Section A.

Chief shall be appropriately dressed in the Nashwauk City Police uniform during his regular scheduled shift. Said uniform shall consist of dark navy blue or white dress shirt and dark blue dress pants with appropriate insignias. For call-outs or other situations, the Chief shall use discretion on appropriate attire. Effective as of the date of this Agreement, any new police officer shall not receive any uniform or equipment allowance until they have completed one (1) year of police duty service. All full-time officers shall receive an annual uniform and equipment allowance of \$600.00 per year effective January 1, 2004, with a maximum accumulation of twice the annual amount. Employees will submit charges for items purchased to the City, and the City shall pay for items purchased directly to the vendor.

Section B Shift Differential

The parties agreed to eliminate shift differential pay for the Chief of Police effective January 1, 2006, in lieu of a roll in of \$.40 into the base rate of pay for the Chief of Police.

Section C. Pay Days

Pay periods shall end on the 15th and the last day of each month, with pay days on the 5th and 20th of the month. If a payday falls on a weekend or holidays, employees shall be paid on the last preceding workday before the holiday or weekend

Section D. Personal Leave

Effective January 1, 1993 each employee shall be granted one (1) paid personal leave day per year.

Section E.

The Employer agrees to pay employees at their regular rate of pay for all time spent in training which is required by the Employer or mandated by P.O.S.T. Board. The Employer shall not be required to pay for any time spent in training outside the employee's regular work day unless the employee is required to attend such training by the Employer. Any time spent actually driving an automobile to and from schooling required by the Employer shall be compensated for at the employee's regular rate of pay and mileage. All department and/or police commission meetings, when attendance is required, shall be paid at straight time rate.

Section F.

The City shall pay \$90.00 for their POST licenses.

ARTICLE XV
INSURANCE PROGRAM

Section A.

The Employer shall provide and pay the entire premium for all present and future regular employees life insurance in the amount of \$20,000.00 for each eligible employee under the age of 65, with a double indemnity clause in the event of accidental death and a dismemberment benefit in the case of accident. Active employees age 65 or over will be eligible for \$12,000.00 coverage, with no premium charge to the employees.

Section B.

Active employees under the age of 65 may elect to purchase an additional \$4,000.00 coverage for which the monthly premium shall be paid by the employee. Such coverage shall terminate upon the employee reaching age 65, providing that 51% of the group elects to purchase \$4, 000.00 of coverage.

Section C.

The Employer shall provide and pay the entire premium for hospital and medical insurance coverage at the current premium rate under the present level of benefits (see attached schedule of benefits) for the duration of this Agreement for both single and family coverage. Effective July 1, 2006, the Employer shall pay 90% of the monthly premium for either a single or family policy and the employee shall pay the remaining 10% of the monthly premium. The level of benefits shall not change without the mutual consent of both parties to the Agreement. The Employer shall secure a 125 Flex Benefit Plan that will enable the employee to make their premium payment, pre-tax, no later than July 1, 2006. Any employee hired after January 1, 2013 shall pay 20% of the monthly premium for either a single or family premium and the Employer shall pay 80% of the premium.

Section D.

If there should be a desire on the part of the Employer or the employee to review the level of benefits, both parties of this Agreement shall negotiate a level of benefits agreed to by a standard specification 90 days prior to the renewal date of such hospital-medical contract before any change can be made by either party.

Section E.

Life insurance and hospital-medical coverage shall be paid and provided for all employees by the Employer in the manner as described in Sections A, B and C above, during the probationary period and during periods of sick leave, vacation, and in all cases where an employee is on a compensable leave under the Workmen's Compensation Act for the entire period of such injury, vacation, or sick leave period

ARTICLE XVI
INSURANCE COVERAGE FOR RETIRED EMPLOYEES

Section A.

Laws of 1965, Chapter 296, authorize the Employer to insure or protect its retired officers and employees and their dependents under a policy or policies or contract or contracts of group insurance or benefits covering life, health and accident, medical and surgical benefits and hospitalization insurance benefits, and to pay all or any part of the premiums or charges of such insurance or protection as provided for in this Labor Agreement at the time of the employee 's retirement.

Section B.

Eligibility for retired employees: Any employee of the City of Nashwauk, Minnesota, who retires on or after February 1, 1972, shall become eligible for the supplemental insurance coverage or insurance program then in effect with the City of Nashwauk; provided, however, that such retired employee is eligible for the benefits under any public employee retirement act or entitled to benefits under the Federal Social Security Act for services credited to public employment, and has a minimum of twenty (20) years of service with the City of Nashwauk and has reached the age of 50 years.

Section C.

The Employer agrees to provide for each retiree and his dependents who is entitled to Federal Social Security Medicare credited to public service a supplemental hospital medical insurance coverage provided by the insurance carrier's supplementation. Such supplemental coverage shall be that area of hospital medical benefits not provided under the Federal Social Security Medicare Program. The Employer agrees to provide for and pay the premium for such retiree and his dependents on the basis of full single and 50% of dependency coverage in accordance with the laws of 1965, Chapter 296. Any portion of the premium for such insurance program that may be the obligation of the retiree will be paid for by the employee. Such arrangements shall not terminate upon the death of the employee, and the Employer will no longer be obligated for any dependency coverage.

Section D.

Hospital and medical coverage will be provided by Blue Cross/Blue Shield for retired officials and employees at the following rates:

<u>Class of Retiree</u>	<u>Total</u>
Retiree Under 65	
*Retiree Over 65	
*Retiree & Spouse, Both over 65	
*One Over, One Under 65	
*One Over, One Under 65, with Dependents	
*Both Over 65, with Dependents	
*Both Over 65, with One Child	
*One Over 65, with One Child	

**Note. The use of the term "Over 65" in the rates presumes that anyone over 65 is eligible for both Parts A and B of Medicare. If someone over 65 is not eligible for Medicare, the active group rate will apply.*

Section E.

Retiree medical and hospital insurance premiums pertaining to those under the single plan will be paid for in its entirety by the Employer. Those with dependency coverage, the employer will pay full single and 50% of the dependency coverage, the other 50% of the dependency coverage costs will come from the retiree 's hospitalization insurance fund, if such a fund exists, or from the retiree. Effective July 1, 2006 the employee shall be required to pay 10% of the single premium upon retirement from the City of Nashwauk.

Section F.

All new employees hired after January 1, 2015 who retire after 25 years of service and at age 55 shall, upon retirement, be covered under health insurance for ten (10) years after retirement with a single policy, and he/she would have to pay 100% of their spouse.

Section G

Dental and vision insurance. Dental: City will pay 100% of the employee dental plan; employee to cover remaining dependents.

Vision: City to pay 100% of family premium. Employee may fund 100% of both dental and vision and in exchange the City will match a monthly deposit up to \$50 to the employee's deferred comp.

ARTICLE XVII
DURATION OF AGREEMENT

Section A.

*Except as otherwise provided, this Agreement shall continue in full force and effect until **December 31, 2020**. It shall be automatically renewed year to year thereafter unless either party desires to modify or amend said Agreement. The requirement to modify or amend this Agreement shall be made by either party giving a written notice of such intent by Certified Mail, return receipt required, not later than sixty (60) days prior to the expiration of this Agreement or any extension thereof. If settlement on a new agreement cannot be reached within the sixty (60) days provided, the present agreement shall remain in effect until a new settlement has been reached*

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

CITY OF NASHUAUK

By: [Signature]
Mayor

By: [Signature]
City Clerk

By: [Signature]
Witness

LOCAL #81, AFSCME, AFL-CIO

By: [Signature]
Staff Representative

By: [Signature]
Chief of Police

By: _____
Witness

Effective Date: January 1, 2018

APPENDIX "A"
CITY OF NASHWAUK

SALARY SCHEDULE

CHIEF OF POLICE - HOURLY RATE

7.5%	3%	3%
<u>1/1/2018</u>	<u>7/1/2019</u>	<u>1/1/2020</u>

Hourly Rate	\$30.96	\$31.89	\$32.85
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*January 1, 2018 through January 1, 2020 Hourly Pay Plan for employees hired after 1-1-2018;
Advancement to next step upon hire date anniversary*

	Grade	Start	6 month	Step 3	Step 4	Step 5	Step 6
Police Chief	10	\$23.04	\$24.19	\$25.34	\$26.50	\$27.65	\$28.80

Nashwauk City Council agreeable to reopening Chief of Police contract once in either 2019 or 2020 for renegotiating of wages only.

Retro pay to 2018

Insurance Re-Opener:

The parties agree that this Agreement may be opened each September, if the level of benefits for the hospital/medical insurance plan are altered by the insurance provider. If the parties to the Agreement cannot agree to a resolution on the health insurance issue, it may be submitted to binding arbitration for final resolution.

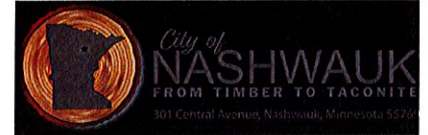
Ambulance Coverage:

The parties further agree that the City will arrange for the "local" ambulance service provider to accept the payment provided by BC/BS for any ground ambulance service provided. Employees shall remit the BC/BS payment to the City who will then reimburse the "local" ambulance provider.

Longevity

The City shall pay to the employee on a separate check the first pay period in December the amount indicated below as a longevity bonus:

<u>Years of Service</u>	<u>Longevity Bonus</u>
5 years	\$200.00
10 years	\$250.00
15 years	\$300.00
20 years	\$350.00
25 years	\$400.00
30 years	\$500.00



LETTER OF UNDERSTANDING

This Letter of Understanding is entered into between the City of Nashwak (hereafter "Employer") and AFSCME, AFL-CIO, Local 81 (all chapters) (hereafter "Union") representing the employees of City of Nashwak Public Works, Clerical, EMS, and Police Department.

WHEREAS: The Arrowhead Pro-Care Medical insurance pool dissolved as of June 30, 2018 and the NEASC is no longer offering the City of Nashwak the current insurance plan; and

WHEREAS: The Employer and the Union have agreed to re-open the contract strictly for the purposes of bargaining a change in active employee insurance plans; and

WHEREAS: The Employer and the Union mutually agree upon the following contribution levels and plan option; and

NOW THEREFORE: The Employer and the Union agree it is necessary to outline the terms and conditions of the following contractual change;

BE IT RESOLVED: Effective January 1, 2020 the following language alterations shall maintain the full force of the contract, with the parties agreeing that the following shall be the additional/amended insurance language moving forward to signify the change to the new insurance provider and deductible plan:

FINALLY, This Letter of Understanding represents the full and complete agreement between the parties regarding this matter. The provisions of this LOU modify only the noted portions the parties Labor Agreement. All other provisions of the collective bargaining agreement continue to apply including but not limited to the retiree health insurance section.

1. Premium Contributions

* Adjust language in all collective bargaining agreements related to the deductible payments to the following:

Public Works/Deputy Clerk, Police, and Police Chief Article XV, Section C- Section C., EMS Article XIV, Section C
The Employer shall provide and pay the entire premium for hospital and medical insurance coverage BCBS Plan \$2800/\$5600, 100% Coinsurance, FlexRX, No 4Q C/O, Embedded Deductible at the current premium rate under the present level of benefits (See attached schedule of benefits) for the duration of this Agreement for both single and family coverage. Effective January 1, 2020 July 1, 2006, the Employer shall pay 90% of the monthly premium for either a single or family policy and the employee shall pay the remaining 10% of the monthly premium. The level of benefits shall not change without the mutual consent of both parties to the Agreement. ~~The Employer shall secure a 125 Flex Benefit Plan that will enable the employee to make their premium payment, pre-tax, no later than January 1, 2020 July 1, 2006.~~ Any employee hired after January 1, 2013 shall pay 20% of the monthly premium for either a single or family policy, and the Employer shall pay 80% of the premium.

2. Deductible Contributions

*Add the following language to collective bargaining agreements reflect the transition to a deductible plan:

1. Effective January 1, 2020 the Employer's annual contribution to all active employees HSA/VEBA account shall be with the amounts as follows:

Employer will contribute to the deductible:

<u>Single</u>	<u>\$2,800.00</u>
<u>Family</u>	<u>\$5,600.00</u>

2. Annual deposits into each employees' HSA/VEBA accounts shall occur within the first business week of January each calendar year, with the first deposit in to occur in 2020.

DATED THIS 25 of Sept, 2019.

FOR THE EMPLOYER

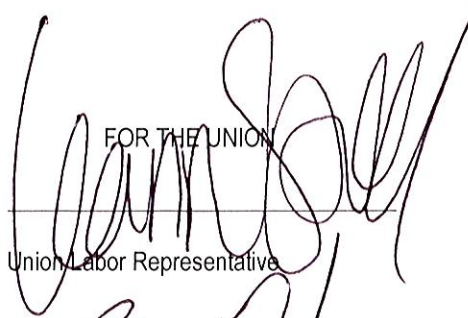


City Mayor



City Administration

FOR THE UNION



Union Labor Representative



Local Union President