

FINANCE COMMITTEE

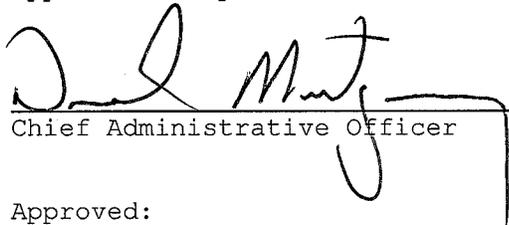
12-0365R

RESOLUTION APPROVING A COLLECTIVE BARGAINING AGREEMENT  
BETWEEN CITY OF DULUTH AND LAW ENFORCEMENT LABOR  
SERVICES LOCAL 363 FOR THE YEARS 2012-2014.

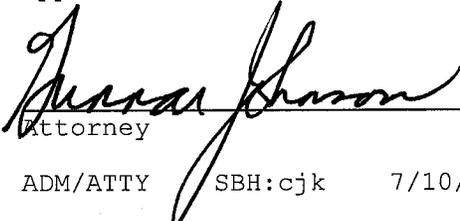
CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to execute and implement a collective bargaining agreement with Law Enforcement Labor Services Local 363, containing the same terms and conditions, and being substantially the same as that on file in the office of the city clerk as Public Document No. \_\_\_\_\_, covering the years 2012 through 2014.

Approved for presentation to council:

  
\_\_\_\_\_  
Chief Administrative Officer

Approved as to form:

  
\_\_\_\_\_  
Attorney

Approved:

  
\_\_\_\_\_  
Auditor

ADM/ATTY SBH:cjk 7/10/2012

STATEMENT OF PURPOSE: Law Enforcement Labor Services Local 363 (LELS) represents the Duluth Police Department lieutenants. The city and LELS reached a tentative agreement for a 2012-2014 collective bargaining agreement in early June, the union ratified the tentative agreement on July 2, 2012. This collective bargaining agreement is a three year contract with general wage increases of 1% in 2012, 1% in 2013, and 2% in 2014; as well as increases to reflect a new uniform allowance, reductions in accrued vacation rates and an additional reduction in the maximum annual vacation carry-over allowance to 200 hours. Commencing in 2013, lieutenants electing single health insurance coverage will share 10% of the monthly premium cost. The city continues to pay 80% of the monthly premium for family health insurance coverage. Lieutenants retiring after 2012 will receive a payment into their Minnesota Health Care Savings Plan (HCSP) account in lieu of the current city-paid retiree whole life insurance policies.

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201~~2~~ - 2014

AGREEMENT

Between the

CITY OF DULUTH

and

LAW ENFORCEMENT LABOR SERVICES LOCAL 363  
DULUTH POLICE LIEUTENANTS

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THIS AGREEMENT is entered into by and between the CITY OF DULUTH, hereinafter called the "Employer", and LAW ENFORCEMENT LABOR SERVICES LOCAL 363, hereinafter called the "Union".

#### ARTICLE 1 - PURPOSE OF AGREEMENT

The intent and purpose of this Agreement is to:

1.1. Establish certain hours, wages, and other terms and conditions of employment as defined in Minnesota Statute.

1.2. Establish procedures for the resolution of disputes concerning the interpretation and/or application of this Agreement.

1.3. The Employer and the Union, through this Agreement, continue their dedication to the highest quality public service for the citizens of Duluth. Both parties recognize this Agreement as a pledge of this dedication.

1.4. No Strike: The Union agrees that neither the Union, its officers or agents, nor any of the Employees covered by this agreement will cause, encourage, participate in, or support any strike, slowdown, or other interruption of, or interference with the operations of the Police Department and the Employer.

#### ARTICLE 2 - DEFINITIONS

2.1. Chief Administrative Officer means the Chief Administrative Officer to the Mayor of the City of Duluth.

2.2. Appointing Authority means the Chief Administrative Officer, Department Head or acting Department Head, or designee.

2.3. Continuously Employed means a period of employment which has not been interrupted by more than thirty (30) calendar days at any one time, except by an authorized leave of absence, sick leave, vacation, or military leave of absence, absence due to illness that was compensable under Minnesota Workers Compensation or, for a period not to exceed two years while on Long Term Disability.

2.4. Employee means a member of the formally recognized bargaining unit represented by the Union.

2.5. Grievance means a dispute or disagreement as to the interpretation or application of the terms of this Agreement.

2.6. Hourly Rate means the rate determined by adding the Employees' Monthly Pay to his/her longevity award, if any, multiplying such number by 12 and dividing such number by 1950, such rate to be calculated to the nearest \$.0001. This is not necessarily the "actual rate" as used in Federal Fair Labor Standards Act, nor do the parties intend to indicate that Employees are paid an hourly wage.

2.7. Monthly Pay means the monthly salary provided for in the Appendices of this Agreement.

### ARTICLE 3 - RECOGNITION

3.1. The Employer recognizes the Union as the exclusive bargaining representative under Minnesota Statutes, for all essential, licensed Police Lieutenants of the Duluth Police Department, Duluth, Minnesota, who are public employees within the meaning of Minnesota Statutes Section 179A.03, Subd. 14, excluding confidential and other employees.

3.2. In the event that any new job title is created after the effective date but during the term of this Agreement, and such position is filled by the City, the parties agree to meet and discuss whether or not such person should be represented by the Union. In the event the Employer and the Union are unable to agree as to the inclusion or exclusion of a new or modified job class, the issue shall be submitted to the Bureau of Mediation Services for determination.

3.3. The Union may designate up to two (2) Union stewards from the bargaining unit to act as Union representatives and shall notify the Employer in writing of the choice.

### ARTICLE 4 - MANAGEMENT RIGHTS

The Employer and the Union recognize and agree that except as expressly modified in this Agreement, the Employer has and retains all rights and authority necessary for it to direct and administer the affairs of the Employer and to meet its obligations under federal, state and local law, such rights to include, but not be limited to, the rights specified in Minnesota Statutes, 1971, Section 179A.07, Subd. 1; the right to direct the working forces; to plan, direct and control all the operations of the Employer; to determine the methods, means, organization and number of personnel by which such operation and services are to be conducted; to contract for services; to assign and transfer Employees; to make and enforce rules and regulations; to change or eliminate existing methods of operation, equipment or facilities; to schedule working hours.

### ARTICLE 5 - DUES CHECKOFF

The Employer shall deduct from paychecks once each month an amount sufficient to provide the payment of regular dues established by the Union from the wages of all members of the Union authorizing such deduction, in writing, and remit such deductions to the appropriate officer designated by the Union within ten (10) days after the paychecks from which such deductions are made are distributed to the Employees.

## ARTICLE 6 - SAVINGS CLAUSE

This Agreement is subject to the Laws of the United States and the State of Minnesota, ~~and the Charter of the City of Duluth~~. In the event any provision of this Agreement shall be held unlawful and unenforceable by any court or administrative agency of the State of Minnesota or United States of competent jurisdiction, such provisions shall be voided. All other provisions shall continue in full force and effect. The voided provision shall be renegotiated at the request of either party.

## ARTICLE 7 - HOURS OF WORK

7.1 The Employer and the Union recognize that because of the nature of their duties it is inappropriate for the Employees covered by this Agreement to be governed by standard work schedules, and that it is essential that such Employees work those hours necessary to carry out the duties and responsibilities of their respective positions. Therefore, it is agreed that the Employees covered by this Agreement shall work whatever hours are necessary to perform their duties and responsibilities and shall be permitted to take time off during the normal work day of their respective departments or divisions. It is further agreed that such Employees shall be permitted to take a reasonable rest period during each one-half (½) day worked and a reasonable lunch break during each day worked.

7.2 All Employees subject to this collective bargaining agreement are exempt from the overtime provisions of the Fair Labor Standards Act.

7.3 All Employees are paid on a salaried basis and will receive the Monthly Pay provided for in Article 8, and the applicable appendices, not subject to reductions because of variations in the quantity or quality of work performed. The salary will not be reduced because of lack of work available through no fault of the Employee.

7.4 The Employer retains its rights of discipline, lay-off, and management rights described in Article 4 (Management Rights).

7.5 The City shall follow the Fair Labor Standards Act (FLSA), 29 Code of Federal Regulations Section 541, using the salary and duties tests set forth to determine FLSA status. Overtime and compensatory time language in this article shall not apply to positions determined to be FLSA-exempt.

## ARTICLE 8 - WAGES

~~It is jointly agreed between the Union and the City of Duluth that wage rates effective on January 1, 2010 shall remain in effect through 2011. Step increases and longevity awards due in 2011 will be granted.~~

8.1 Employees shall be assigned to pay ranges according to their job title in accordance with this article and the schedule attached hereto as Appendix 1, ~~and shall be compensated in accordance with the schedule attached hereto as Appendix 2.~~ Effective January 1, 2012 Monthly Pay shall be increased by 1% as indicated in Appendix 2. Effective January 1,

2013 Monthly Pay shall be increased by 1% as indicated in Appendix 3. Effective January 1, 2014 Monthly Pay shall be increased by 2% as indicated in Appendix 4. Employees shall be placed in Step A of the pay ranges assigned to such job titles, except when placement in a higher step is approved by the Employee's Appointing Authority and the Chief Administrative Officer, and such Employees shall advance one step in the pay range at the beginning of the next pay period following completion of six (6) months service in such position and shall advance one step in the pay range for each additional twelve (12) months of service in such job title.

## 8.2. Extra Duty Pay.

The Appointing Authority has the power to increase an Employee's pay by an amount not to exceed 4% of the Employee's current rate of pay for a period of time that the Employer, unilaterally, determines that the Employee is ordered to perform extra work or work of greater value to the Employer. This extra duty work, and the time that extra pay will be paid for it, shall first be described in writing by the Employer. No Employee shall receive more than 7 months extra duty pay in one calendar year. No Employee shall have a right to demand or receive extra duty pay.

## ARTICLE 9 - HOLIDAYS

9.1. Except as otherwise provided herein, Employees shall receive full time off with pay for the legal holidays of New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving Day, Friday after Thanksgiving Day, December 24th, and Christmas Day, as such holidays are defined in Minnesota Statutes Annotated, Section 645.44, Subd. 5.

## ARTICLE 10 - LONGEVITY AWARD

~~It is jointly agreed between the Union and the City of Duluth that wage rates effective on January 1, 2010 shall remain in effect through 2011. Step increases and longevity awards due in 2011 will be granted~~

10.1. In addition to the Monthly Pay prescribed herein, any Employee who has been Continuously Employed by the City for a number of qualified pay periods, the total of which is not less than eight (8) years, shall receive from and after the beginning of the next pay period following completion of his or her eighth year of service, a monthly longevity award equal to four percent (4%) of his or her Monthly Pay and any Employee who has been Continuously Employed by the City for a number of qualified pay periods, the total of which is not less than sixteen (16) years, shall receive from and after the beginning of the next pay period an additional monthly longevity award equal to four percent (4%) of his or her Monthly Pay. Such longevity award shall be computed to the nearest dollar per month. The term "qualified pay period" shall mean any regular minimum period of time at the end of which full-time Employees of the City are regularly paid and during which the Employee was employed and/or paid by the City for not less than three-fourths (3/4) of the normal working hours of the position he or she then occupied. Any time spent by an Employee on leave of absence while on military duty with any military

service of the United States shall be considered as time spent in the employment of the City for purposes of determining the number of such Employee's qualified pay periods.

#### ARTICLE 11 - COMPENSATION PERIODS

11.1. All Employees shall be paid the correctly calculated portion of the monthly salary every two (2) weeks, and payment for each such two (2) week period shall be made not later than the Friday next following such two (2) week period. The amount of pay for each such two (2) week period shall be determined by multiplying the Employee's Hourly Rate by 75. Beginning with the first pay period that starts in 2012, payment will be made by electronic deposit only and employees will be required to participate in direct deposit. The Employer will provide reasonable electronic access to deposit information in lieu of paper paystubs.

#### ARTICLE 12 - DEFERRED COMPENSATION

12.1. For each eligible Employee who has been continuously employed by the Employer for sufficient time as to be eligible for the Employer's medical benefit plan, the Employer will facilitate contributions to a Section 457(b) deferred compensation program. Such contributions shall be made (1) in accordance with Internal Revenue Code Section 457(b), including the associated regulations and regulatory guidance, and (2) in accordance with Minnesota law.

a. The Employer shall make the amounts listed below available for contribution to the Section 457(b) deferred compensation program.

1.) \$304 per month for each eligible regular Employee without claimed dependents on the hospital-medical benefit plan; or

2.) \$229 per month for each eligible regular Employee with claimed dependents on the hospital-medical benefit plan.

b. Amounts contributed for regular part-time employees shall be prorated based on hours worked.

#### ARTICLE 13 - HOSPITAL-MEDICAL BENEFIT PLAN

13.1. The Employer will make available to eligible Employees comprehensive hospital-medical benefit Plan 3A only.

a. The Employer agrees to pay for the Employees without claimed dependents the entire cost of the premium for single Employee hospital-medical benefit Plan 3A through December 31, 2012. Effective January 1, 2013, the Employer agrees to pay for the Employees without claimed dependents 90% of the monthly premium for single Employee hospital-medical benefit Plan 3A. The Employer shall deduct from each eligible and enrolled Employee's salary or wages the amount by which the monthly premium cost of the Employee's

single hospital-medical plan coverage exceeds the Employer's contribution that is stated in this paragraph.

b. The Employer agrees to pay 80% of the monthly premium for family hospital-medical benefit Plan 3A. The Employer shall deduct from each eligible and enrolled Employee's salary or wages the amount by which the monthly premium cost of the Employee's hospital-medical plan family-dependent coverage exceeds the Employer's contribution that is stated in this paragraph.

c. The Employer agrees to deposit into the Joint Insurance Pool Trust at the end of each calendar year, any unused balance in each Employee's flexible benefits spending account.

d. After thirty-six (36) months of continuous employment from the date of hire for any permanent full-time Employee hired on or after January 1, 2006, the Employer shall make a one time deposit of twelve thousand dollars (\$12,000) into a post employment health care savings plan account established by the Employer in the name of the Employee. An Employee is eligible for one payment only in his or her lifetime under this article. Said funds and accumulated interest shall be made available to the Employee as required by law.

13.2. Hospital-medical benefit plan coverage shall become effective the first day of the month following the date of hire.

13.3. While an Employee is entitled to receive long-term disability income protection pursuant to Article 22 of this Agreement, the Employer shall ~~maintain such~~provide hospital-medical benefit plan coverage and monthly Employer premiums cost-sharing for such Employee ~~as it does for~~ to the same extent as active Employees. The Employer shall deduct from each eligible and enrolled Employee's long-term disability income protection payments the amount by which the monthly premium cost of the Employee's single or family-dependent hospital-medical plan coverage exceeds the Employer's contribution stated in Article 13.1(a) and (b) above.

13.4. Any proposed change in the hospital-medical benefit plan design that constitutes a reduction in the aggregate value of benefits shall be negotiated with the bargaining unit.

13.5. The Employer shall provide hospital-medical plan coverage to the same extent as active Employees for ~~the dependents of a deceased-active Employee, who was classified as an active Employee at the time of death shall continue to receive hospital-medical benefit plan coverage to the same extent as active Employees.~~ The surviving spouse's coverage ceases when the spouse dies or remarries. The minor dependent's coverage ceases when each ceases to be defined as a dependent in the applicable section of Minnesota Statutes Chapter 62, as amended.

13.6. The Employer will include the following provisions in the Plan 3A comprehensive hospital-medical insurance plan:

a. Lifetime benefit of no less than \$2,000,000.

b. Bone marrow, heart, liver, kidney, heart/lung, cornea, and pancreas transplants.

c. Preventive care as defined in the Health Care Benefit Plan, and provided by in-network providers, will be fully covered and not subject to a deductible.

13.7. The insured shall be responsible for the following prescription drug co-pays or co-insurance:

- a. Tier One. Zero dollars (\$0) for generic and approved over the counter (OTC) prescriptions.
- b. Tier Two. Fifteen dollars (\$15) for preferred brand name prescriptions.
- c. Tier Three. A 30% co-insurance with a minimum thirty dollar (\$30)/maximum one hundred dollar (\$100) co-insurance payment per non-preferred brand name prescription.

When the prescribing physician recommends a Tier Three medication over a Tier Two or Tier One medication for medical necessity, the insured shall be responsible for the Tier Two co-pay.

13.8 The Union acknowledges that the City is authorized to operate a joint self-insurance pool under Minnesota Statutes Chapter 471 and Minnesota Rules Chapter 2785. In the event the City ceases to become a member of the joint self-insurance pool or the pool is dissolved, the language in Article 13.1 (d) and (e), Article 13.9 and Article 13.10 as set forth in the 2010 collective bargaining agreement between the parties shall become effective immediately.

13.9 In addition to the Monthly Pay prescribed elsewhere in this contract, and effective January 1, 2008, any full time and permanent Employee shall receive, monthly, an amount equal to one percent (1%) of his/her basic Monthly Pay deposited into a post employment health care savings plan account, known as the Minnesota Health Care Savings Plan, administered by the Minnesota State Retirement System, established by the Employer in the name of the Employee. Such deposit shall be computed to the nearest dollar per month.

ARTICLE 14 - HOSPITAL - MEDICAL INSURANCE  
RETIRED EMPLOYEES

14.1. Any Employee who was hired on or before December 31, 2005, and who retires from employment with the City, and is receiving, or has applied for and will, within sixty (60) days of retirement, receive retirement pension benefits from the Public Employees Retirement Association, or who retires and is vested to receive a retirement pension from the Police and Fire Fund of PERA, or who is currently receiving a disability pension from one of the aforementioned organizations, shall receive hospital-medical benefit plan coverage to the same extent as active Employees, and subject to the following conditions and exceptions:

a. Any retiree or qualified dependent seeking benefits pursuant to this Article who has attained the age of 65 or meets any condition that qualifies them to be eligible for Medicare Coverage "A" and "B" must obtain it, or lose any benefits hereunder until he or she obtains Medicare Coverage "A" and "B". Employees hired on or before March 31, 1986 are not required to obtain Medicare Coverage "A" if such coverage requires paying a monthly premium. Employees hired on or before March 31, 1986 must obtain Medicare Coverage "A" if they are eligible for free Medicare Coverage "A" due to previous or contemporaneous employment, or as the spouse, divorced spouse, or widow(er) of a Medicare-covered individual.

b. The hospital-medical benefit plan coverage for any such eligible retired Employee, with or without claimed dependents, will be paid for by the City and the eligible retired Employee in accordance with the following schedule:

TOTAL YEARS (WHETHER CONTINUOUS OR NOT) OF SERVICE COMPLETED	PERCENT SHARE OF PREMIUM CONTRIBUTIONS	
	RETIRED EMPLOYEE	EMPLOYER
5	75	25
6	70	30
7	65	35
8	60	40
9	55	45
10	50	50
11	45	55
12	40	60
13	35	65
14	30	70
15	25	75
16	20	80
17	15	85
18	10	90
19	5	95
20 and thereafter	0	100

c. Such coverage shall be for the life of the retiree, but if the retiree dies before his or her spouse, such coverage shall be continued for such spouse until he or she dies or

remarries, but any such coverage for such surviving spouse shall not include coverage for any dependent of such surviving spouse.

d. Any Employee hired on or after January 1, 2006, who retires from City employment, and who meets the length of service and qualification requirements stated under Article 14.1. may elect to enroll in the City's hospital-medical plan in accordance with Article 14.1.a. and c. except that the cost of the premium will be entirely paid for by the Employee or his/her claimed dependents with absolutely no contribution from the City.

e. For those Employees hired on or before December 31, 2005, who retire from City employment and who meet the length of service and qualification requirements stated under Article 14.1., the City may provide a post 65 years old health insurance program in accordance with Article 14.1.a. in lieu of health care coverage provided active Employees, except that the health insurance program, when combined with Medicare, will provide coverage no less than the coverage provided active Employees. The health insurance program may be fully insured or self-insured at the option of the City and at the City's expense in accordance with the schedule in Article 14.1.b. For those Employees hired on or after January 1, 2006, who retire from City employment and who meet the length of service and qualification requirements stated under Article 14.1, participation in the post 65 years old health insurance program will be in accordance with Article 14.1.a. and entirely at the expense of the Employee or his/her dependents with absolutely no contribution from the City.

14.2. Any person purchasing medical insurance coverage pursuant to a former, or this, agreement may continue to do so. When any such person ceases to so purchase medical coverage, the Employee shall no longer have any right to participate in any insurance plan or group created by this, or successor, labor agreement. This paragraph shall become inoperative when no former Employee is buying insurance coverage as here provided.

#### ARTICLE 15 - DENTAL INSURANCE

15.1. During the period of this agreement, the Employer will make available to Employees dental care coverage containing the same level of benefits as provided under the dental plan in effect on January 1, 2002. The Employer agrees to pay the entire cost for single coverage for each eligible Employee, with a maximum annual benefit not to exceed \$1,000. Dental coverage shall become effective the first day of the month following the date of hire. The Employer and the Union agree that any change in such coverage shall only be done through negotiations.

15.2. When an Employee elects to take family dental coverage, the Employee shall maintain such coverage for at least two consecutive years. The Employee may cancel family dental coverage any time after the two year period. If an Employee again elects to take family dental coverage after canceling from a previous period, the Employee must again maintain the family dental coverage for another two year period. An Employee will only be allowed to elect family dental coverage at the time of hire, when he or she becomes eligible for single dental, or at the time of an open enrollment period for health care plans.

15.3. An Employee shall have the option, within the period of open enrollment, to increase the annual dental insurance maximum benefit to \$2,000 per person. The Employee shall pay the additional cost of the benefit increase above what is provided by the Employer in Articles 15.1 and 15.2.

#### ARTICLE 16 - MANDATORY RETIREMENT TERMINATION PAY

16.1. A public safety Employee shall be retired at age of 65 years, for as long as this requirement is allowed by law. Thereafter such Employee shall retire at age 70.

16.2. When an Employee leaves City employment, he or she shall be paid in full on the payroll covering the last day he or she actually worked for his or her salary due including the value of accumulated paid leave time which shall be calculated based on his or her Hourly Rate at the time of his or her termination as severance pay authorized by Article 18.

#### ARTICLE 17 - LIFE INSURANCE

##### 17.1. Active Employees

a. The Employer shall pay the full cost of \$50,000 of group term life insurance for each eligible Employee. All Employees shall receive such life insurance coverage on the first day of the month following the date of hire. In case of the death of a qualifying Employee, benefits due shall be paid to the beneficiary duly designated by the Employee before death, or, if none, to the estate of the Employee in accordance with Minnesota Statutes.

b. Such insurance terminates on the last day of the month in which an Employee terminates his or her employment. Employees are responsible to contact the Human Resources office at least one (1) month prior to termination to verify any insurance benefits due after termination.

c. While an Employee is entitled to receive long-term income protection pursuant to Article 22 of this Agreement, the Employer shall maintain such life insurance coverage for such Employee as it does for active Employees.

##### 17.2. Retired Employees

a. Any Employee who retires from employment with the City, and is receiving, or has applied for and will, within sixty (60) days of retirement, receive retirement pension benefits from the Police and Fire Fund of PERA, the Employer shall pay the full cost of term life insurance. The amount of such insurance coverage shall be \$25,000. In case of the death of a qualifying Employee, benefits due shall be paid to the beneficiary duly designated by the Employee before death, or, if none, to the estate of the Employee in accordance with Minnesota Statutes.

b. Any Employee who retires from employment with the City before January 1, 2013, and is receiving, or has applied for and will, within sixty (60) days of retirement, receive retirement pension benefits from or through the Public Employees Retirement Association shall, upon retirement receive from the Employer \$10,000 paid up life insurance. Upon such retirement, the ownership of the life insurance policy shall vest with the Employee.

c. Effective January 1, 2013, in lieu of the \$10,000 paid up life insurance benefit set forth in Article 17.2(b), any Employee hired in a City of Duluth LELS Union position who retires from employment with the City, and is receiving, or has applied for and will, within sixty (60) days of retirement, receive retirement pension benefits from or through the Public Employees Retirement Association shall, upon retirement receive from the Employer a one-time deposit of \$5,000 into a post-employment health care savings plan account, known as the Minnesota Health Care Savings Plan (HCSP), administered by the Minnesota State Retirement System, established by the Employer in the name of the Employee.

#### ARTICLE 18 - SEVERANCE PAY

18.1. Any Employee who is laid off from their employment with the City, shall be entitled to a severance payment for a severance period equal to four months of that Employee's Monthly Pay as of the final day of employment, plus one additional week, calculated as .23 of that Employee's Monthly Pay as of the final day of employment, for each year of service in excess of 16 years, with total payment not to exceed 26 weeks. Such payments shall include salary and any earned longevity award only. Employer shall continue any severed Employee's hospital-medical, life, and dental coverages in force the same as if such severed Employee were an active Employee during the severance period. A correctly calculated portion of the severed Employee's severance payment shall be made every two (2) weeks during the severance period. If severed Employee returns to any position with the City during his or her severance period, severance payments shall cease and Employee shall forfeit any remaining severance amount. Unless specifically provided for in this Article 18, Employee shall not receive or be eligible for any additional benefit provided under this Agreement other than the re-employment rights set forth in Article 30 during the severance period. This article does not apply to an Employee who is discharged for cause.

18.2 When an Employee's employment shall cease as described in this article, the Employer may, at its sole discretion, place that Employee in a different position. If pay in the new position is equal to or greater than the pay of the position the Employee is leaving, then no severance pay is due under this article. If the pay of the new position is less than that of the old one, then the Employee shall continue to receive the pay rate of the position the Employee is leaving for the severance period calculated above.

18.3 No benefits provided in this Article shall be given to any Employee who is being involuntarily retired, is on probation, or holds a provisional or substitute appointment.

18.4. Any Employee hired on or before December 31, 2005, who ceases employment with the City with twenty (20) or more years of service shall receive hospital-medical benefit plan coverage to the same extent as active Employees paid for by the City. ~~Once the An~~ Employee who has attained the age of 65 or meets any condition that qualifies him or her to be

eligible for Medicare Coverage "A" and "B", the Employee must obtain it, or lose any benefits hereunder until he or she obtains Medicare Coverage "A" and "B". Employees hired on or before March 31, 1986 are not required to obtain Medicare Coverage "A" if such coverage requires paying a monthly premium. Employees hired on or before March 31, 1986 must obtain Medicare Coverage "A" if they are eligible for free Medicare Coverage "A" due to previous or contemporaneous employment, or as the spouse, divorced spouse, or widow(er) of a Medicare-covered individual. The City may provide a post 65 years old health insurance program in lieu of health care coverage provided active Employees except that the health insurance program, when combined with Medicare, will provide coverage no less than the coverage provided active Employees. The health insurance program may be fully insured or self-insured at the option of the City.

#### ARTICLE 19 – SAFETY & UNIFORM ALLOWANCE

19.1. The Employer agrees to maintain sanitary and safe working conditions. The Employer shall furnish safety appliances, special tools required for safety, and train the Employees using such equipment in the proper use of same. The Employer reserves the right to determine what departments and personnel should receive the above listed equipment. Employees covered hereby, in the performance of their jobs, shall at all times use safety devices and protective equipment which is furnished to them hereunder and comply with the safety, sanitary, and fire regulations issued by the Employer.

19.2 The Monthly Pay provided in this Agreement includes an amount to compensate Employees for their expense of purchasing and maintaining uniforms and suitable clothing required by the Employer.

#### ARTICLE 20 - PAID LEAVE

20.1. Effective January 1, 2012 through the end of the day on December 31, 2012 and ~~C~~ommencing the first day of the month following the date of hire, Employees shall receive paid leave time in accordance with the following schedule:

<u>Years of Continuous Service</u>	<u>Hours Per Pay Period</u>
Commencing 0 through 8 (inclusive)	6.64 Hours
Commencing 9 through 16 (inclusive)	8.37 Hours
Commencing 17 years and over	10.10 Hours

Effective January 1, 2013, and commencing the first day of the month following the date of hire, Employees shall receive 8 hours of paid leave time which shall accrue per pay period. The Monthly Pay provided in this Agreement includes an amount to compensate Employees for paid leave accrual reductions from the parties' 2011 collective bargaining agreement.

a. All Employees must use at least 100 hours paid leave by the end of December 31 of each year or forfeit the unused portion of those 100 hours of paid leave without compensation at the end of the day on December 31, of that year. ~~who have accrued over 112.5 hours of paid leave by the end of December 31~~ Employees will have any remaining paid leave

~~over 200 hours at the end of December 31 over 112.5~~ converted into cash and deposited in their post employment health care savings plan account ~~in accordance with the following schedule.~~ The conversion will take place no later than February 15 of the following year, ~~and before any forfeiture of paid leave under Article 20.2. An Employee's accrued paid leave will not be reduced below 112.5 hours as a result of any deposit into the health care savings plan account and hours of paid leave deposited will not exceed the numbers provided for below.~~

<del>Years of Continuous Service</del>	<del>Hours into HCSPA</del>
<del>Commencing 0 through 8 (inclusive)</del>	<del>Up to 45 hours</del>
<del>Commencing 9 through 16 (inclusive)</del>	<del>Up to 60 hours</del>
<del>Commencing 17 through 19 (inclusive)</del>	<del>Up to 100 hours</del>
<del>Commencing 20 years and over</del>	<del>Up to 125 hours</del>

~~20.2. All unused paid leave time over 200 hours accumulated by an Employee upon the end of the day of ratification of this Agreement shall be deposited permanently into an unused paid leave reserve bank for that Employee. Employees may use hours from their unused paid leave reserve bank but may not add additional accrued paid leave hours to their reserve bank after the bank has been established. The first one-third (1/3) of the Employee's unused paid leave reserve bank shall be converted into cash at his/her current rate of pay on the day after ratification of this Agreement and paid to the Employee. This cash payment shall be made within sixty (60) days following ratification of this Agreement. The second one-third (1/3) of the Employee's unused paid leave reserve bank shall be converted into cash at his/her current rate of pay as of January 1, 2013 and paid to the Employee within sixty (60) days after January 1, 2013. The remaining one-third (1/3) in the Employee's unused paid leave reserve bank shall be converted into cash at his/her current rate of pay as of January 1, 2014 and paid to the Employee within sixty (60) days after January 1, 2014. Employees who separate employment from Employer before their total unused paid leave reserve bank has been converted into cash and paid shall have all remaining unused paid leave reserve bank hours converted into cash at their current rate of pay upon separation and paid on the payroll covering the last date of employment. This Section (20.2) shall expire and become null and void on December 31, 2014.~~

~~The maximum amount of unused paid leave time which one Employee may accumulate shall be as follows:~~

~~a. During the year, there is no maximum limit.~~

~~b. At the end of the day of December 31 of each year, the maximum amount allowed to an Employee who was a city Employee on 1-1-94, shall be the greater of 837 hours or the amount of accumulated leave the Employee had on 1-1-92, unless changed according to this article.~~

~~c. At the end of December 31 of each year, the maximum amount allowed to an Employee who became a city Employee after 1-1-94 shall be 315 hours during the first 25 years of continuous service with Employer and 470 hours after completion of 25 years of continuous service with Employer.~~

~~d. If an Employee's paid leave accumulation exceeds the maximum amount allowed, then the amount in excess of the maximum amount allowed shall be forfeited, without compensation to the Employee, at the end of December 31 of that year.~~

20.3. In the event of death of any Employee, any paid leave time accumulated to the credit of such deceased Employee shall be paid, at the rate of pay at time of death, ~~to his or her beneficiary duly designated by the Employee before death, or, if none,~~ to his or her estate in accordance with Minnesota Statutes.

#### 20.4. Special Carry-over.

The Chief Administrative Officer or his/her designee may, upon written recommendation of the department head, which states unique and exceptional cause, grant to an Employee the privilege of carrying over to the next calendar year an amount of paid leave in excess of that allowed by this contract. The excess amount of paid leave carry-over granted pursuant to this section must be used by the Employee during the first three months of the next calendar year.

20.5. An Employee may give his or her accumulated paid leave, or part of it, to another City Employee, under the following conditions: 1) the gift is voluntarily given; 2) the City allows the gift; and 3) the recipient is in a serious hardship situation that will be relieved by the gift.

### ARTICLE 21 - SICK LEAVE

21.1. Effective the first day of the month following the date of hire, an Employee shall be granted up to 120 working days of sick leave with full pay during a calendar year, except that such sick leave shall not be applicable in connection with any illness or injury arising out of and in the course of employment by the City.

21.2. When an Employee is not able to report for duty, the Employee shall notify his or her supervisor, or a responsible person in the work group.

21.3. If an Employee's use of paid sick leave reasonably appears to be unjustified, the Appointing Authority may direct in writing to the Employee, for any absence by the Employee claimed to be allowable as paid sick leave, to furnish written explanation by a physician to justify the absence on paid sick leave. Failure to furnish the written explanation shall preclude the Employee from being allowed the absence as paid sick leave.

21.4. For purposes of this article, sick leave is defined to mean the absence of an Employee because of illness or injury, exposure to a contagious disease; provided no Employee, unless officially assigned to special duty, shall be granted paid sick leave for any injury or illness resulting from any gainful employment on any job which is subject to the provisions of the worker's compensation laws of any state, other than regular City employment.

~~a. Funeral Leave. The Appointing Authority may grant to a member of this unit up to a maximum of five (5) days of paid funeral leave for a death in the immediate family.~~

~~For the purposes of this section, immediate family is defined to include only any parent, child, brother, sister, spouse, grandparent, grandchild, son-in-law, daughter-in-law, brother-in-law, sister-in-law, or ward of the Employee, and any parent or grandparent of the Employee's spouse.~~

~~Absence for any funeral of other than a member of the immediate family may be granted on paid funeral leave, at the discretion of the Appointing Authority, and shall not exceed one-half (1/2) work day.~~

21.5 ~~b.~~ Paid Sick Leave on Paid Leave. Paid sick leave will not be allowed during a previously scheduled paid leave unless the Employee is under the care of a physician because of an unexpected injury or illness and the Employee furnishes to the Chief Administrative Officer or his/her designee a certificate, signed by the physician, indicating the number of days the Employee was actually confined to his or her home or hospital. The Employee will then receive paid sick leave for those days spent confined. If the Employee is exposed to a contagious disease and confined under doctor's orders, such Employee will be granted paid sick leave in lieu of paid leave.

21.56. Temporary Disability. Any Employee who is temporarily physically disabled may be offered a work assignment, at the Employee's current rate of pay, the duties of which the Employee is able to perform.

If the employer is not able to provide the Employee such an assignment, the Employee may continue to remain on paid sick leave as provided for in this contract. If such a suitable assignment is refused by the Employee, paid sick leave will be denied. Recognizing the varieties of illnesses and injuries and the Employee's ability to do the assigned work, each case will be evaluated on an individual basis. In case of dispute, the City may use its own physician in making the determination. The City reserves the right to review the assignment after every twenty (20) working days and to reassign the Employee to his or her regular duties, modify the assignment or extend the period of special assignment.

21.67. Employee Assistance Program. Any absence approved by the Appointing Authority for participation in the Employee's Assistance Program shall be allowed with pay.

21.8 Funeral Leave. The Appointing Authority may grant to a member of this unit up to a maximum of five (5) days of paid funeral leave for a death in the immediate family.

~~For the purposes of this section, immediate family is defined to include only any parent, child, brother, sister, spouse, grandparent, grandchild, son-in-law, daughter-in-law, brother-in-law, sister-in-law, or ward of the Employee, and any parent or grandparent of the Employee's spouse.~~

~~Employees must utilize accumulated paid leave or authorized unpaid leave for an absence for any funeral other than that of a member of the immediate family.~~

## ARTICLE 22 - LONG TERM DISABILITY INCOME

22.1. Effective the first day of the month following the date of hire, an Employee shall be eligible for long-term income protection to age 70 for disability; however, there shall be no such protection for disability caused by any injury or illness for which the Employee received professional medical care or treatment within ninety (90) consecutive days prior to when the Employee otherwise becomes eligible for such protection, unless ninety (90) consecutive days elapse from the time when the Employee otherwise would be eligible for such protection and during such ninety (90) consecutive days the Employee neither receives nor requires professional medical care or treatment for such injury or illness.

22.2. For the purposes of this Article, disability means that which is caused by illness or injury which occurs during the Employee's term of employment and which prevents the Employee from performing the major tasks of the Employee's position.

22.3. Payment of benefits pursuant to this article to a disabled Employee shall commence when the employer determines that the Employee qualifies for benefits, and does not provide benefits under Article 22.4(b). The amount of such protection shall be 65% of the Employee's basic Hourly Rate as of the time that Employee's sick leave is exhausted, or the parties agree to commencement of such payments but shall not exceed an amount equivalent to a monthly rate of pay of \$3,500; however, for any pay period, the amount of such protection shall be reduced by any amount that the Employee receives for such pay period as a retirement or disability pension from the Public Employees Retirement Association or from the federal government pursuant to the federal Old-Age, Survivors and Disability Insurance Act, and by any other disability insurance or disability annuity payment, and by any amount that the Employee receives as worker's compensation in lieu of wages or salary. Any cost of living adjustment to any amount received as a retirement or disability pension or as worker's compensation shall not be used to reduce the amount of such protection. The amount of such protection for any pay period shall also be reduced by any amount that the Employee receives as wages or salary during that pay period, but only when the total amount that the Employee has received for wages or salary during the calendar year exceeds \$5,000.

22.4. a. Payment of benefits due under this article shall be calculated for each regular pay period, and shall be paid for the period at the same time as Employees are then paid pursuant to Article 23 of this Agreement. For any pay period the City may deduct from the payment of benefits any amount which the Employee previously received as payments of benefits but to which the Employee was not entitled because of the provisions of this Article.

b. As benefits due under this article, the employer may offer to any Employee who is disabled an assignment, at such Employee's present rate of pay, to any position, or one with tasks or equipment modified to accommodate the Employee's medical restrictions, in his or her present or lower classification, the duties of which the Employee is medically able to perform. Such assignment shall not result in the denial of, promotion to, or the layoff of, a classified Employee.

22.5. Within 24 months from the date of injury or illness causing such disability, if the Employee is still receiving benefits pursuant to this article, the Employee shall:

a. Return to the position with the City which the Employee occupied when he or she became disabled; or return to a position with the City, which may have tasks or equipment modified to accommodate Employee's medical restrictions, for which the Employee is qualified, if such position is available; but only if the Employee provides written information from a physician, chosen and compensated by the City, which indicates that the Employee is then capable of performing the duties of such position; or

b. Request rehabilitation or retraining designed to return the Employee to other work which produces an economic status as close as possible to that enjoyed by the Employee before the illness or injury; the costs of such rehabilitation and/or retraining shall be borne by the City; such rehabilitation or retraining may include, but is not limited to, medical evaluation, physical rehabilitation, work evaluation, counseling, job placement, and implementation of on-the-job short-term training; or

c. Apply for permanent total disability status. Total disability, (as defined in Minnesota Statute 176.101, Subd. 5) means the total and permanent loss of the sight of both eyes, the loss of both arms at the shoulder, the loss of both legs so close to the hips that no effective artificial member can be used, complete and permanent paralysis, total and permanent loss of mental faculties, or any other injury which totally incapacitates the Employee from working at an occupation which brings him or her an income.

22.6. Receipt of long-term income protection benefits shall cease at the expiration of 24 months from the date of injury or illness causing such total disability unless the Employee has complied with Section 22.5 of this Article and has been determined to be returned to work, rehabilitated and/or retrained, or eligible for continuing total disability benefits because he or she is disabled as defined in Section 22.5. Such determination shall occur when the employer notifies the Employee, in writing, of the decision and the medical data, including the attending physician's report, that forms a basis for the determination. The determination may be grieved pursuant to Article 32.

## ARTICLE 23 - WORKER'S COMPENSATION

23.1. An Employee who suffers an injury compensable under the Worker's Compensation Act and is absent from work as a result thereof, shall be paid an amount by the Employer during such absence equal to the difference between the amount received by him or her under the Worker's Compensation Act and his or her Monthly Pay, including earned longevity award, the amount he or she would have received if he or she were regularly employed, subject to the following:

23.2. For each day of work absence the Employee shall be charged for one-third (1/3) ~~three fifths (3/5)~~ of a day of sick leave. When the Employee's sick leave and vacation time have been exhausted, he or she shall no longer receive any salary or wages from the Employer while absent from work, except as otherwise provided by Article 22.

## ARTICLE 24 - JURY DUTY

24.1. Employees shall receive a leave of absence with pay for any required appearance for jury duty; provided, however, that if an Employee is released from such duty prior to the expiration of his or her normal work day, he or she shall immediately return to his or her job and continue his or her duties as an Employee. The Employee shall pay to the city an amount equal to any payment the Employee receives for serving on jury duty.

#### ARTICLE 25 - LEAVES OF ABSENCE

25.1. Any Employee who, for any reason considered good by the Appointing Authority, desires to secure leave from his or her regular duties, may, on written request approved by the Appointing Authority, be granted special leave of absence without pay for a period not exceeding one (1) year, provided; however, any leave that exceeds thirty (30) calendar days must also be approved by the Chief Administrative Officer or his/her designee.

25.2. Any Employee asking for special leave without pay shall submit his or her request in writing at least fifteen (15) calendar days prior to the date the Employee desires to leave, stating the reasons why in his or her opinion the request should be granted, the date when he or she desires the leave to begin and the probable date of his or her return.

25.3. The Appointing Authority or Chief Administrative Officer or his/her designee shall respond within five (5) calendar days of the request for each special leave of absence without pay in writing, stating if the leave is to be approved, whether the Employee granted such leave shall be entitled to his or her former position upon the Employee's return from such leave or whether his or her name shall be placed on the re-employment list for the class for which the Employee is classified.

25.4. No leaves without pay over thirty (30) calendar days will be granted until the Employee has used all accumulated paid leave.

25.5. No benefits or seniority shall be lost by the Employee during leaves of thirty (30) calendar days or less. No benefits or seniority shall be accrued after the first thirty (30) calendar days of any leave. Any Employee wishing to be covered under the City's insurance plans may for the first six (6) calendar months of such leave pay the Employee's and the employer's share of the cost of coverage.

25.6. Leave of absence without pay for a period of less than thirty (30) calendar days may be granted by a department head. Leaves of absence for over three (3) consecutive days should not be approved by any department head except for the following reasons:

- a. When it is shown that the City will benefit from such leave.
- b. Personal or family emergency.
- c. As provided for in Section 8 of this Article.

d. Service upon a Board or a Commission where such leave is required for attendance at such meeting, and/or will benefit the City.

25.7. Military leaves of absence shall be granted as provided for in state and federal law.

25.8. City Employees who are officers or appointed representatives of the Employees' organization or appointed to its staff for the purpose of performing services for such organization shall be afforded reasonable time off for the purposes of conducting the duties of the Employee organization; and shall, upon request, be provided with leaves of absence to the elected or appointed capacity of the exclusive representative as required by law.

25.9. An Employee accepting an appointed position with the City, shall be on a leave of absence during the period of such appointment and upon the expiration of such appointment shall be reinstated to the class or prior appointed position held prior to such appointment.

#### ARTICLE 26 - DISCIPLINE, SUSPENSIONS, REMOVALS

26.1. Discipline.

Disciplinary action may be imposed upon an Employee only for just cause. Disciplinary action may be grieved by the Employee through the regular Grievance procedure as provided in Article 32. Disciplinary action shall include only the following: 1) oral reprimand; 2) written reprimand or written record of an oral reprimand; 3) suspension; and 4) removal. Initial minor infractions which the supervisor determines warrant an oral reprimand will not normally result in a permanent written record of the reprimand being kept. Except in the case of a severe breach of discipline, any suspension, disciplinary demotion, or removal action shall be preceded by a written warning. An Employee shall be given the opportunity to have a Union representative present at any questioning of the Employee during a meeting with a supervisor for the purpose of determining what disciplinary action against the Employee will be taken. If the Appointing Authority has reason to reprimand an Employee, it shall be done in a manner that will not embarrass the Employee before other Employees or the public.

26.2. Suspensions.

a. The Appointing Authority or any supervisor acting for him or her in his or her absence, may for disciplinary purposes suspend without pay any Employee under his or her supervision from the performance of his or her duties for one (1) or more periods aggregating not more than thirty (30) working days in a calendar year for each disciplinary incident.

b. Employee to be Notified of Suspension. If the employer suspends any Employee, it shall forthwith give written notice to the suspended Employee stating the reason for the suspension and the duration thereof, and shall forthwith personally deliver such written notice to the Employee or send it by certified mail to the Employee's last known address; it shall also forthwith send to the Union a copy of the notice sent to the Employee. The notice shall also advise the Employee that he or she may grieve pursuant to Article 32 if the Employee believes the action is done without just cause or is otherwise in violation of this contract.

### 26.3. Removals.

- a. An Appointing Authority may remove an Employee only for just cause.
- b. Any charges filed against any Employee shall state specifically the just cause or causes the Appointing Authority feels are sufficient to constitute grounds for removal, and in addition, the specific act or acts of such Employee constituting such cause; provided, that in no case shall such vague and indefinite charges as "for the good of the City" be considered for removal and that in no case may an Employee be removed on account of his or her religious or political opinions or affiliations or for refusing to contribute to a political fund or to render political service.
- c. Any Employee proposed to be removed for just cause, shall be notified in writing of the charges against him or her, the date of separation, and the rights of the Employee to file a formal Grievance under the Union contract. The Appointing Authority shall personally deliver such written notice to the Employee or send it by certified mail to the Employee's last known address and shall send to the Union a copy of such notice sent or delivered to the Employee.
- d. If the Employee being removed files a Grievance, the Employee shall be placed on suspension without pay until the Grievance is resolved except in those cases where suspension without pay is prevented by law.

### ARTICLE 27 - DEMOTIONS

27.1. Upon the request of an Employee or by the Appointing Authority, an Employee may be reclassified from a higher paid to a lower paid position, which in the discretion of the Appointing Authority, the Employee is eligible to fill.

27.2. The Appointing Authority proposing the demotion of an Employee shall make his or her recommendation in writing to the Chief Administrative Officer or his/her designee, and shall supply a copy to the Employee. The recommendation shall give the future date on which the proposed demotion is to become effective, the class to which it is proposed to demote the Employee, the new rate of pay, and any other information that the Chief Administrative Officer or his/her designee may require. The recommendation shall advise the Employee that he or she may grieve pursuant to Article 32 of this agreement if he or she does not agree with the Appointing Authority's recommendations.

### ARTICLE 28 - RESIGNATIONS

28.1. Any Employee who wishes to resign in good standing shall give the Appointing Authority written notice of at least two (2) weeks, unless the Appointing Authority consents to his or her leaving on shorter notice.

28.2. An Employee who is absent from duty for three (3) consecutive business days without securing leave from his or her Appointing Authority shall be considered to have resigned.

#### ARTICLE 29 - LAYOFF

29.1. When it becomes necessary, because of lack of work or funds, or to obtain efficiencies, or for other causes for which an Employee is not at fault, to reduce the number of Employees within a department, the following procedure shall apply, to the extent it is not superseded by the veterans' preference law:

a. All temporary, provisional and substitute Employees, who are employed in the title from which the layoff is made, shall be laid off first within that department.

b. Permanent Employees who are substituting in a vacant position shall, during any layoff affecting their permanent position or the position in which they are substituting, return to their permanent position.

c. Permanent Employees who are appointed provisionally shall, during any layoff affecting their permanent position or the position to which they were provisionally appointed, return to their permanent position.

d. Permanent Employees who are on a leave of absence shall, during any layoff affecting their position, return to their permanent position.

e. Layoffs from job titles that have multiple incumbents shall be made by inverse seniority in the job title from which the layoff is made.

29.2. The Appointing Authority shall notify in writing the Employee or Employees to be laid off at least ten (10) working days prior to actual layoff and shall transmit to the Union the names of those so notified.

#### ARTICLE 30 - RE-EMPLOYMENT RIGHTS

30.1. The name of any classified Employee who has been laid off shall be placed on the re-employment list.

30.2. The names shall be arranged on the re-employment list in the order of their total seniority with the City; provided, that if any Employee has not been re-employed, the Chief Administrative Officer or his/her designee shall, on or about the anniversary date of the layoff, contact each person laid off by certified mail to determine if such person is interested in remaining on such list. If the person is no longer interested, or without giving a satisfactory reason, refuses to accept an appointment offered him or her, the Chief Administrative Officer or his/her designee may remove his or her name from any re-employment list. An Employee refusing to accept an appointment for the classification from which he or she was originally laid off shall have his or her name removed from such list.

30.3. Any name of any Employee which is placed on a re-employment list because of layoff shall be removed from such list by the Chief Administrative Officer or his/her designee twenty-four (24) months from the date of the Employee's layoff.

#### ARTICLE 31 - PERSONNEL COMMITTEE

31.1. An Employee may request that the Employer complete a job audit if his/her position duties have changed significantly. A standing Personnel Committee consisting of the President of the Union or his/her designee and an Employer representative shall meet as necessary to review job audit requests and to determine whether a job audit should be conducted for the purpose of determining whether the specifications for a job classification should be amended, whether the position should be reclassified to a different job classification, or whether there is a need to establish a new job classification to describe the existing position. Job audits will be performed in the order determined by the Personnel Committee. The Personnel Committee shall meet and negotiate the pay rate for any position with a new, or amended job description, or any newly created classification which is represented by the Union.

~~An Employee may request that the Employer complete a job evaluation. No position shall be evaluated more than once in a twelve month period unless the Employer has significantly changed the Employee's job duties. Requested evaluations shall be completed. A standing committee consisting of the President of the Union or his/her designee and an Employer representative shall meet and negotiate the pay rate for any position with a new, or amended job description, or any newly evaluated position which is represented by the Union.~~

31.2. Upon request, the Union will meet and confer with the Employer about management plans or projects.

#### ARTICLE 32 - GRIEVANCE PROCEDURE

32.1. An Employee or group of Employees with a Grievance shall within twenty-one (21) calendar days after the first occurrence of the event giving rise to the Grievance present such Grievance through the Union in writing to the Chief Administrative Officer or his/her designee.

32.2. The Chief Administrative Officer or his/her designee shall present the Employer's position in writing to the Union within twelve (12) calendar days after receipt of such Grievance. The resolution of Grievances settled by the procedures set forth in this paragraph shall be reduced to writing and signed by the Employee or Employees, Union and the Employer.

32.3. If the Grievance is not settled in accordance with the foregoing procedure, Union may, within nine (9) calendar days after receipt of the reply of the Chief Administrative Officer or his/her designee, submit the Grievance to arbitration by serving notice in writing of such submittal upon the Chief Administrative Officer or his/her designee. The parties shall attempt to agree upon an arbitrator within seven (7) calendar days after submittal of the Grievance to arbitration and in the event the parties are unable to agree upon an arbitrator within said seven (7) day period, either party may request the Bureau of Mediation Services of the State of Minnesota to submit a panel of five (5) arbitrators. The parties shall each have the right to alternately strike two (2) names from the panel. If the parties are unable to agree on who shall strike the first name, the question shall be decided by a flip of the coin. The remaining person

shall be the arbitrator. The arbitrator shall be notified of his or her selection by a joint letter from the parties requesting that he set a time and a place for a hearing on the Grievance, subject to the availability of the parties.

32.4. The arbitrator shall have no right to amend, modify, nullify, ignore, add to, or subtract from the provisions of this Agreement. He or she shall consider and decide only the specific issue(s) submitted to him or her in writing by the parties, and shall have no authority to make a decision on any other issue not so submitted to him or her. More than one Grievance may be heard by the same arbitrator by mutual agreement of the parties. Either party may, if it desires, submit a brief to the arbitrator setting forth its position with respect to the issue(s) involved in a Grievance. 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 and rules and regulations having the force and effect of law. The arbitrator shall submit his or her decision in writing to the parties and shall file a copy of such decision with the Bureau of Mediation Services of the State of Minnesota. The decision shall be based solely upon his or her interpretation of the meaning or application of the express terms of this Agreement to the facts of the Grievance presented.

32.5. The decision of the arbitrator shall be final and binding upon the parties, except that an appeal may be taken to the District Court on the grounds that the order of the arbitrator violates the guidelines imposed upon him or her by the provisions of this article.

32.6. The fee and expenses of the arbitrator shall be divided equally between the parties; provided, however, that each party shall be responsible for compensating its own representatives and witnesses. If either party desires a verbatim record of the arbitration proceedings, it may cause such a record to be made, providing it pays for the record. If both parties desire a verbatim record of such proceedings, the cost shall be shared equally.

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

32.8. All documents, communications, and records dealing with a Grievance shall be filed separately from the personnel files of the Employees involved.

32.9. Access to all information necessary to the determination and processing of a Grievance shall be made available to all participants.

32.10 If, as a result of the reply of the Chief Administrative Officer or his/her designee's response in Section 32.2, the grievance remains unresolved and if the grievance involves the suspension, demotion, or discharge of an Employee who has completed the required probationary period, the grievance may be appealed either to Section 32.3 of this Article or to another procedure such as Veterans Preference or fair employment. If appealed to any procedure

other than Section 32.3 of this Article, the grievance shall not be subject to the arbitration procedure provided in Section 32.3 of this Article. The aggrieved Employee shall indicate in writing which procedure is to be used – Section 32.2 of this Article or an alternative procedure – and shall sign a statement to the effect that the choice of an alternate procedure precludes the Employee from making an appeal through Section 32.3 of this Article.

The election set forth above shall not apply to claims subject to the jurisdiction of the United States Equal Employment Opportunity Commission. An Employee pursuing a remedy pursuant to a statute under jurisdiction of the United States Equal Employment Opportunity Commission is not precluded from also pursuing an appeal under the grievance procedure of this Agreement. If a court of competent jurisdiction rules contrary to the ruling in EEOC v. Board of Governors of State Colleges and Universities, 957 F. 2d 424 (7<sup>th</sup> Cir.) cert. denied, 506 U.S. 906, 113 S. Ct. 299 (1992), or if Board of Governors is judicially or legislatively overruled, this paragraph of this Section 32.7 shall be null and void.

### ARTICLE 33 - COMPLETE AGREEMENT AND WAIVER OF BARGAINING

33.1. The parties acknowledge that the provisions contained in this Agreement constitute the entire agreement between the parties and the provisions of this Agreement are not subject to renegotiation, except with the mutual consent of the parties. Any and all prior agreements, resolutions, policies, rules and regulations regarding terms and conditions of employment to the extent inconsistent with the provisions of this Agreement are hereby superseded.

33.2. The parties agree to meet and confer in the labor-management committee to discuss appropriate changes in Medical Benefit Plan, Long Term Disability Plan, and any benefit plan features affected by state or federal legislation or regulation changes, and to achieve reasonable and conservative cost containment suggestions.

### ARTICLE 34 - UNIVERSAL LANGUAGE

The parties agree that in matters of medical and dental plan benefits, plan premiums, and sharing of plan costs between employer and Employee, it is beneficial to both parties to achieve language that is universal in all City bargaining unit agreements. If during the term of this agreement, the Employer enters into an agreement with another City bargaining unit that affects such language, the parties agree to meet and negotiate contract changes to achieve universal language, if possible.

### ARTICLE 35 - DURATION OF AGREEMENT

35.1. This Agreement shall be effective as of the 1st day of January, ~~2011~~2012, and shall remain in full force and effect through the 31st day of December, ~~2011~~2014, and from year to year thereafter as provided by PELRA.

35.2 Upon the Agreement expiration date of December 31, ~~2011~~2014, all Employees shall remain at their current step and shall not be eligible for any step progression or increases in

longevity pay until a new agreement is reached by the parties.

### ARTICLE 36 – LABOR MANAGEMENT COMMITTEE

36.1 (a) The Employer and the Union will form a bona fide joint labor-management committee with the assistance of the Bureau of Mediation Services for the purpose of meeting and discussing matters of mutual concern. The labor-management committee shall be chaired jointly by a representative of the Employer and a representative of the Union, and shall consist of an equal number of appointed management and union representatives. The labor-management committee has the authority to establish labor management subcommittees, monitor their progress, forward subcommittee recommendations to the Administration, and dissolve subcommittees. The labor-management committee shall operate on a recommendation basis only, and the committee chairs shall mutually determine all questions of process, procedure and agenda content. The labor-management subcommittees will be responsible for collaboratively addressing common interests that may include, but are not limited to the following:

- Budget related issues
- Working environment
- Health and safety issues
- Work process and customer service improvement
- Employee recruitment and retention
- Health Insurance

(b). The City's representative on the Joint Powers Enterprise Board of Trustees as defined in the Joint Powers Agreement will report, no less than quarterly, to the labor management committee regarding activity in the Duluth Joint Powers Enterprise Trust. The report will include information such as claims activity, actuarial reports, and financial statements, which will be comparable to that which was provided to the Health Insurance Labor Management Committee under the 2010 collective bargaining agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this \_\_\_\_\_ day of \_\_\_\_\_, ~~2011~~2012.

CITY OF DULUTH

LAW ENFORCEMENT LABOR SERVICES, INC.

By \_\_\_\_\_  
Mayor

By \_\_\_\_\_  
Union Steward

Attest: \_\_\_\_\_  
City Clerk

By \_\_\_\_\_  
Business Agent

By \_\_\_\_\_  
Chief Administrative Officer

Countersigned:

\_\_\_\_\_  
City Auditor

Approved as to form:

\_\_\_\_\_  
City Attorney

APPENDIX 1

<u>TITLE</u>	<u>RANGE</u>	<u>JOB TITLE NUMBER</u>
Police Lieutenant	** 1105-1110	1511

\*\* Pay rate for an individual appointed to these positions is set by the Appointing Authority by designating in writing the pay range, which shall be one within the spectrum indicated in this appendix.

APPENDIX 2

Any Employee hired before February 1, 1991, who is covered by the City's group health insurance plan, shall have added to his or her monthly salary the amount of \$32.00. Employees hired after February 1, 1991 shall not receive the payment described above.

~~2011~~2012 PAY RANGE SCHEDULE

Effective January 1, ~~2011~~2012, monthly salaries of Employees in the various pay ranges shall be as follows:

<b>RANGE NO.</b>	<b>STEP A</b>	<b>STEP B</b>	<b>STEP C</b>	<b>STEP D</b>	<b>STEP E</b>
1110	<del>5482</del> <u>5537</u>	<del>5748</del> <u>5805</u>	<del>6015</del> <u>6075</u>	<del>6349</del> <u>6412</u>	<del>6683</del> <u>6750</u>
1105	<del>5363</del> <u>5417</u>	<del>5624</del> <u>5680</u>	<del>5884</del> <u>5943</u>	<del>6213</del> <u>6275</u>	<del>6538</del> <u>6603</u>

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APPENDIX 3

Any Employee hired before February 1, 1991, who is covered by the City's group health insurance plan, shall have added to his or her Monthly Pay the amount of \$32.00. Employees hired after February 1, 1991 shall not receive the payment described above.

2013 PAY RANGE SCHEDULE

Effective January 1, 2013, Range No. 1105 shall be eliminated, and monthly salaries of Employees in the various pay ranges shall be as follows:

<u>RANGE NO.</u>	<u>STEP A</u>	<u>STEP B</u>	<u>STEP C</u>	<u>STEP D</u>	<u>STEP E</u>
<u>1110</u>	<u>6136</u>	<u>6412</u>	<u>6637</u>	<u>6819</u>	<u>6988</u>

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APPENDIX 4

Any Employee hired before February 1, 1991, who is covered by the City's group health insurance plan, shall have added to his or her Monthly Pay the amount of \$32.00. Employees hired after February 1, 1991 shall not receive the payment described above.

2014 PAY RANGE SCHEDULE

Effective January 1, 2014, monthly salaries of Employees in the various pay ranges shall be as follows:

<u>RANGE NO.</u>	<u>STEP A</u>	<u>STEP B</u>	<u>STEP C</u>	<u>STEP D</u>	<u>STEP E</u>
<u>1110</u>	<u>6259</u>	<u>6541</u>	<u>6770</u>	<u>6956</u>	<u>7127</u>

2012 - 2014

AGREEMENT

Between the

CITY OF DULUTH

and

LAW ENFORCEMENT LABOR SERVICES LOCAL 363  
DULUTH POLICE LIEUTENANTS

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THIS AGREEMENT is entered into by and between the CITY OF DULUTH, hereinafter called the "Employer", and LAW ENFORCEMENT LABOR SERVICES LOCAL 363, hereinafter called the "Union".

#### ARTICLE 1 - PURPOSE OF AGREEMENT

The intent and purpose of this Agreement is to:

1.1. Establish certain hours, wages, and other terms and conditions of employment as defined in Minnesota Statute.

1.2. Establish procedures for the resolution of disputes concerning the interpretation and/or application of this Agreement.

1.3. The Employer and the Union, through this Agreement, continue their dedication to the highest quality public service for the citizens of Duluth. Both parties recognize this Agreement as a pledge of this dedication.

1.4. No Strike: The Union agrees that neither the Union, its officers or agents, nor any of the Employees covered by this agreement will cause, encourage, participate in, or support any strike, slowdown, or other interruption of, or interference with the operations of the Police Department and the Employer.

#### ARTICLE 2 - DEFINITIONS

2.1. Chief Administrative Officer means the Chief Administrative Officer to the Mayor of the City of Duluth.

2.2. Appointing Authority means the Chief Administrative Officer, Department Head or acting Department Head, or designee.

2.3. Continuously Employed means a period of employment which has not been interrupted by more than thirty (30) calendar days at any one time, except by an authorized leave of absence, sick leave, vacation, or military leave of absence, absence due to illness that was compensable under Minnesota Workers Compensation or, for a period not to exceed two years while on Long Term Disability.

2.4. Employee means a member of the formally recognized bargaining unit represented by the Union.

2.5. Grievance means a dispute or disagreement as to the interpretation or application of the terms of this Agreement.

2.6. Hourly Rate means the rate determined by adding the Employees' Monthly Pay to his/her longevity award, if any, multiplying such number by 12 and dividing such number by 1950, such rate to be calculated to the nearest \$.0001. This is not necessarily the "actual rate" as used in Federal Fair Labor Standards Act, nor do the parties intend to indicate that Employees are paid an hourly wage.

2.7. Monthly Pay means the monthly salary provided for in the Appendices of this Agreement.

### ARTICLE 3 - RECOGNITION

3.1. The Employer recognizes the Union as the exclusive bargaining representative under Minnesota Statutes, for all essential, licensed Police Lieutenants of the Duluth Police Department, Duluth, Minnesota, who are public employees within the meaning of Minnesota Statutes Section 179A.03, Subd. 14, excluding confidential and other employees.

3.2. In the event that any new job title is created after the effective date but during the term of this Agreement, and such position is filled by the City, the parties agree to meet and discuss whether or not such person should be represented by the Union. In the event the Employer and the Union are unable to agree as to the inclusion or exclusion of a new or modified job class, the issue shall be submitted to the Bureau of Mediation Services for determination.

3.3. The Union may designate up to two (2) Union stewards from the bargaining unit to act as Union representatives and shall notify the Employer in writing of the choice.

### ARTICLE 4 - MANAGEMENT RIGHTS

The Employer and the Union recognize and agree that except as expressly modified in this Agreement, the Employer has and retains all rights and authority necessary for it to direct and administer the affairs of the Employer and to meet its obligations under federal, state and local law, such rights to include, but not be limited to, the rights specified in Minnesota Statutes, 1971, Section 179A.07, Subd. 1; the right to direct the working forces; to plan, direct and control all the operations of the Employer; to determine the methods, means, organization and number of personnel by which such operation and services are to be conducted; to contract for services; to assign and transfer Employees; to make and enforce rules and regulations; to change or eliminate existing methods of operation, equipment or facilities; to schedule working hours.

### ARTICLE 5 - DUES CHECKOFF

The Employer shall deduct from paychecks once each month an amount sufficient to provide the payment of regular dues established by the Union from the wages of all members of the Union authorizing such deduction, in writing, and remit such deductions to the appropriate officer designated by the Union within ten (10) days after the paychecks from which such deductions are made are distributed to the Employees.

## ARTICLE 6 - SAVINGS CLAUSE

This Agreement is subject to the Laws of the United States and the State of Minnesota. In the event any provision of this Agreement shall be held unlawful and unenforceable by any court or administrative agency of the State of Minnesota or United States of competent jurisdiction, such provisions shall be voided. All other provisions shall continue in full force and effect. The voided provision shall be renegotiated at the request of either party.

## ARTICLE 7 - HOURS OF WORK

7.1 The Employer and the Union recognize that because of the nature of their duties it is inappropriate for the Employees covered by this Agreement to be governed by standard work schedules, and that it is essential that such Employees work those hours necessary to carry out the duties and responsibilities of their respective positions. Therefore, it is agreed that the Employees covered by this Agreement shall work whatever hours are necessary to perform their duties and responsibilities and shall be permitted to take time off during the normal work day of their respective departments or divisions. It is further agreed that such Employees shall be permitted to take a reasonable rest period during each one-half (1/2) day worked and a reasonable lunch break during each day worked.

7.2 All Employees subject to this collective bargaining agreement are exempt from the overtime provisions of the Fair Labor Standards Act.

7.3 All Employees are paid on a salaried basis and will receive the Monthly Pay provided for in Article 8, and the applicable appendices, not subject to reductions because of variations in the quantity or quality of work performed. The salary will not be reduced because of lack of work available through no fault of the Employee.

7.4 The Employer retains its rights of discipline, lay-off, and management rights described in Article 4 (Management Rights).

7.5 The City shall follow the Fair Labor Standards Act (FLSA), 29 Code of Federal Regulations Section 541, using the salary and duties tests set forth to determine FLSA status. Overtime and compensatory time language in this article shall not apply to positions determined to be FLSA-exempt.

## ARTICLE 8 - WAGES

8.1. Employees shall be assigned to pay ranges according to their job title in accordance with this article and the schedule attached hereto as Appendix 1. Effective January 1, 2012 Monthly Pay shall be increased by 1% as indicated in Appendix 2. Effective January 1, 2013 Monthly Pay shall be increased by 1% as indicated in Appendix 3. Effective January 1, 2014 Monthly Pay shall be increased by 2% as indicated in Appendix 4. Employees shall be placed in Step A of the pay ranges assigned to such job titles, except when placement in a higher step is approved by the Employee's Appointing Authority and the Chief Administrative Officer, and such Employees shall advance one step in the pay range at the beginning of the next pay

period following completion of six (6) months service in such position and shall advance one step in the pay range for each additional twelve (12) months of service in such job title.

## 8.2. Extra Duty Pay.

The Appointing Authority has the power to increase an Employee's pay by an amount not to exceed 4% of the Employee's current rate of pay for a period of time that the Employer, unilaterally, determines that the Employee is ordered to perform extra work or work of greater value to the Employer. This extra duty work, and the time that extra pay will be paid for it, shall first be described in writing by the Employer. No Employee shall receive more than 7 months extra duty pay in one calendar year. No Employee shall have a right to demand or receive extra duty pay.

## ARTICLE 9 - HOLIDAYS

9.1. Except as otherwise provided herein, Employees shall receive full time off with pay for the legal holidays of New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving Day, Friday after Thanksgiving Day, December 24th, and Christmas Day, as such holidays are defined in Minnesota Statutes Annotated, Section 645.44, Subd. 5.

## ARTICLE 10 - LONGEVITY AWARD

10.1. In addition to the Monthly Pay prescribed herein, any Employee who has been Continuously Employed by the City for a number of qualified pay periods, the total of which is not less than eight (8) years, shall receive from and after the beginning of the next pay period following completion of his or her eighth year of service, a monthly longevity award equal to four percent (4%) of his or her Monthly Pay and any Employee who has been Continuously Employed by the City for a number of qualified pay periods, the total of which is not less than sixteen (16) years, shall receive from and after the beginning of the next pay period an additional monthly longevity award equal to four percent (4%) of his or her Monthly Pay. Such longevity award shall be computed to the nearest dollar per month. The term "qualified pay period" shall mean any regular minimum period of time at the end of which full-time Employees of the City are regularly paid and during which the Employee was employed and/or paid by the City for not less than three-fourths (3/4) of the normal working hours of the position he or she then occupied. Any time spent by an Employee on leave of absence while on military duty with any military service of the United States shall be considered as time spent in the employment of the City for purposes of determining the number of such Employee's qualified pay periods.

## ARTICLE 11 - COMPENSATION PERIODS

11.1. All Employees shall be paid the correctly calculated portion of the monthly salary every two (2) weeks, and payment for each such two (2) week period shall be made not later than the Friday next following such two (2) week period. The amount of pay for each such two (2) week period shall be determined by multiplying the Employee's Hourly Rate by 75. Beginning

with the first pay period that starts in 2012, payment will be made by electronic deposit only and employees will be required to participate in direct deposit. The Employer will provide reasonable electronic access to deposit information in lieu of paper paystubs.

#### ARTICLE 12 - DEFERRED COMPENSATION

12.1. For each eligible Employee who has been continuously employed by the Employer for sufficient time as to be eligible for the Employer's medical benefit plan, the Employer will facilitate contributions to a Section 457(b) deferred compensation program. Such contributions shall be made (1) in accordance with Internal Revenue Code Section 457(b), including the associated regulations and regulatory guidance, and (2) in accordance with Minnesota law.

a. The Employer shall make the amounts listed below available for contribution to the Section 457(b) deferred compensation program.

1.) \$304 per month for each eligible regular Employee without claimed dependents on the hospital-medical benefit plan; or

2.) \$229 per month for each eligible regular Employee with claimed dependents on the hospital-medical benefit plan.

b. Amounts contributed for regular part-time employees shall be prorated based on hours worked.

#### ARTICLE 13 - HOSPITAL-MEDICAL BENEFIT PLAN

13.1. The Employer will make available to eligible Employees comprehensive hospital-medical benefit Plan 3A only.

a. The Employer agrees to pay for the Employees without claimed dependents the entire cost of the premium for single Employee hospital-medical benefit Plan 3A through December 31, 2012. Effective January 1, 2013, the Employer agrees to pay for the Employees without claimed dependents 90% of the monthly premium for single Employee hospital-medical benefit Plan 3A. The Employer shall deduct from each eligible and enrolled Employee's salary or wages the amount by which the monthly premium cost of the Employee's single hospital-medical plan coverage exceeds the Employer's contribution that is stated in this paragraph.

b. The Employer agrees to pay 80% of the monthly premium for family hospital-medical benefit Plan 3A. The Employer shall deduct from each eligible and enrolled Employee's salary or wages the amount by which the monthly premium cost of the Employee's hospital-medical plan family-dependent coverage exceeds the Employer's contribution that is stated in this paragraph.

c. The Employer agrees to deposit into the Joint Insurance Pool Trust at the end of each calendar year, any unused balance in each Employee's flexible benefits spending account.

d. After thirty-six (36) months of continuous employment from the date of hire for any permanent full-time Employee hired on or after January 1, 2006, the Employer shall make a one time deposit of twelve thousand dollars (\$12,000) into a post employment health care savings plan account established by the Employer in the name of the Employee. An Employee is eligible for one payment only in his or her lifetime under this article. Said funds and accumulated interest shall be made available to the Employee as required by law.

13.2. Hospital-medical benefit plan coverage shall become effective the first day of the month following the date of hire.

13.3. While an Employee is entitled to receive long-term disability income protection pursuant to Article 22 of this Agreement, the Employer shall provide hospital-medical benefit plan coverage and monthly Employer premium cost-sharing for such Employee to the same extent as active Employees. The Employer shall deduct from each eligible and enrolled Employee's long-term disability income protection payments the amount by which the monthly premium cost of the Employee's single or family-dependent hospital-medical plan coverage exceeds the Employer's contribution stated in Article 13.1(a) and (b) above.

13.4. Any proposed change in the hospital-medical benefit plan design that constitutes a reduction in the aggregate value of benefits shall be negotiated with the bargaining unit.

13.5. The Employer shall provide hospital-medical plan coverage to the same extent as active Employees for the dependents of a deceased-active Employee, who was classified as an active Employee at the time of death. The surviving spouse's coverage ceases when the spouse dies or remarries. The minor dependent's coverage ceases when each ceases to be defined as a dependent in the applicable section of Minnesota Statutes Chapter 62, as amended.

13.6. The Employer will include the following provisions in the Plan 3A comprehensive hospital-medical insurance plan:

- a. Lifetime benefit of no less than \$2,000,000.
- b. Bone marrow, heart, liver, kidney, heart/lung, cornea, and pancreas transplants.
- c. Preventive care as defined in the Health Care Benefit Plan, and provided by in-network providers, will be fully covered and not subject to a deductible.

13.7. The insured shall be responsible for the following prescription drug co-pays or co-insurance:

- a Tier One. Zero dollars (\$0) for generic and approved over the counter (OTC) prescriptions.

- b. Tier Two. Fifteen dollars (\$15) for preferred brand name prescriptions.
- c. Tier Three A 30% co-insurance with a minimum thirty dollar (\$30)/maximum one hundred dollar (\$100) co-insurance payment per non-preferred brand name prescription.

When the prescribing physician recommends a Tier Three medication over a Tier Two or Tier One medication for medical necessity, the insured shall be responsible for the Tier Two co-pay.

13.8 The Union acknowledges that the City is authorized to operate a joint self-insurance pool under Minnesota Statutes Chapter 471 and Minnesota Rules Chapter 2785. In the event the City ceases to become a member of the joint self-insurance pool or the pool is dissolved, the language in Article 13.1 (d) and (e), Article 13.9 and Article 13.10 as set forth in the 2010 collective bargaining agreement between the parties shall become effective immediately.

13.9 In addition to the Monthly Pay prescribed elsewhere in this contract, and effective January 1, 2008, any full time and permanent Employee shall receive, monthly, an amount equal to one percent (1%) of his/her basic Monthly Pay deposited into a post employment health care savings plan account, known as the Minnesota Health Care Savings Plan, administered by the Minnesota State Retirement System, established by the Employer in the name of the Employee. Such deposit shall be computed to the nearest dollar per month.

#### ARTICLE 14 - HOSPITAL - MEDICAL INSURANCE RETIRED EMPLOYEES

14.1. Any Employee who was hired on or before December 31, 2005, and who retires from employment with the City, and is receiving, or has applied for and will, within sixty (60) days of retirement, receive retirement pension benefits from the Public Employees Retirement Association, or who retires and is vested to receive a retirement pension from the Police and Fire Fund of PERA, or who is currently receiving a disability pension from one of the aforementioned organizations, shall receive hospital-medical benefit plan coverage to the same extent as active Employees, and subject to the following conditions and exceptions:

a. Any retiree or qualified dependent seeking benefits pursuant to this Article who has attained the age of 65 or meets any condition that qualifies them to be eligible for Medicare Coverage "A" and "B" must obtain it, or lose any benefits hereunder until he or she obtains Medicare Coverage "A" and "B". Employees hired on or before March 31, 1986 are not required to obtain Medicare Coverage "A" if such coverage requires paying a monthly premium. Employees hired on or before March 31, 1986 must obtain Medicare Coverage "A" if they are eligible for free Medicare Coverage "A" due to previous or contemporaneous employment, or as the spouse, divorced spouse, or widow(er) of a Medicare-covered individual.

b. The hospital-medical benefit plan coverage for any such eligible retired Employee, with or without claimed dependents, will be paid for by the City and the eligible retired Employee in accordance with the following schedule:

TOTAL YEARS (WHETHER CONTINUOUS OR NOT) OF SERVICE COMPLETED	PERCENT SHARE OF PREMIUM CONTRIBUTIONS	
	RETIRED EMPLOYEE	EMPLOYER
5	75	25
6	70	30
7	65	35
8	60	40
9	55	45
10	50	50
11	45	55
12	40	60
13	35	65
14	30	70
15	25	75
16	20	80
17	15	85
18	10	90
19	5	95
20 and thereafter	0	100

c. Such coverage shall be for the life of the retiree, but if the retiree dies before his or her spouse, such coverage shall be continued for such spouse until he or she dies or remarries, but any such coverage for such surviving spouse shall not include coverage for any dependent of such surviving spouse.

d. Any Employee hired on or after January 1, 2006, who retires from City employment, and who meets the length of service and qualification requirements stated under Article 14.1. may elect to enroll in the City's hospital-medical plan in accordance with Article 14.1.a. and c. except that the cost of the premium will be entirely paid for by the Employee or his/her claimed dependents with absolutely no contribution from the City.

e. For those Employees hired on or before December 31, 2005, who retire from City employment and who meet the length of service and qualification requirements stated under Article 14.1., the City may provide a post 65 years old health insurance program in accordance with Article 14.1.a. in lieu of health care coverage provided active Employees, except that the health insurance program, when combined with Medicare, will provide coverage no less than the coverage provided active Employees. The health insurance program may be fully insured or self-insured at the option of the City and at the City's expense in accordance with the schedule in Article 14.1.b. For those Employees hired on or after January 1, 2006, who retire from City employment and who meet the length of service and qualification requirements stated under Article 14.1, participation in the post 65 years old health insurance program will be in accordance with Article 14.1.a. and entirely at the expense of the Employee or his/her dependents with absolutely no contribution from the City.

14.2. Any person purchasing medical insurance coverage pursuant to a former, or this, agreement may continue to do so. When any such person ceases to so purchase medical coverage, the Employee shall no longer have any right to participate in any insurance plan or group created by this, or successor, labor agreement. This paragraph shall become inoperative when no former Employee is buying insurance coverage as here provided.

#### ARTICLE 15 - DENTAL INSURANCE

15.1. During the period of this agreement, the Employer will make available to Employees dental care coverage containing the same level of benefits as provided under the dental plan in effect on January 1, 2002. The Employer agrees to pay the entire cost for single coverage for each eligible Employee, with a maximum annual benefit not to exceed \$1,000. Dental coverage shall become effective the first day of the month following the date of hire. The Employer and the Union agree that any change in such coverage shall only be done through negotiations.

15.2. When an Employee elects to take family dental coverage, the Employee shall maintain such coverage for at least two consecutive years. The Employee may cancel family dental coverage any time after the two year period. If an Employee again elects to take family dental coverage after canceling from a previous period, the Employee must again maintain the family dental coverage for another two year period. An Employee will only be allowed to elect family dental coverage at the time of hire, when he or she becomes eligible for single dental, or at the time of an open enrollment period for health care plans.

15.3. An Employee shall have the option, within the period of open enrollment, to increase the annual dental insurance maximum benefit to \$2,000 per person. The Employee shall pay the additional cost of the benefit increase above what is provided by the Employer in Articles 15.1 and 15.2.

#### ARTICLE 16 - MANDATORY RETIREMENT TERMINATION PAY

16.1. A public safety Employee shall be retired at age of 65 years, for as long as this requirement is allowed by law. Thereafter such Employee shall retire at age 70.

16.2. When an Employee leaves City employment, he or she shall be paid in full on the payroll covering the last day he or she actually worked for his or her salary due including the value of accumulated paid leave time which shall be calculated based on his or her Hourly Rate at the time of his or her termination as severance pay authorized by Article 18.

#### ARTICLE 17 - LIFE INSURANCE

##### 17.1. Active Employees

a. The Employer shall pay the full cost of \$50,000 of group term life insurance for each eligible Employee. All Employees shall receive such life insurance coverage on the first day of the month following the date of hire. In case of the death of a qualifying Employee, benefits due shall be paid to the beneficiary duly designated by the Employee before death, or, if none, to the estate of the Employee in accordance with Minnesota Statutes.

b. Such insurance terminates on the last day of the month in which an Employee terminates his or her employment. Employees are responsible to contact the Human Resources office at least one (1) month prior to termination to verify any insurance benefits due after termination.

c. While an Employee is entitled to receive long-term income protection pursuant to Article 22 of this Agreement, the Employer shall maintain such life insurance coverage for such Employee as it does for active Employees.

##### 17.2. Retired Employees

a. Any Employee who retires from employment with the City, and is receiving, or has applied for and will, within sixty (60) days of retirement, receive retirement pension benefits from the Police and Fire Fund of PERA, the Employer shall pay the full cost of term life insurance. The amount of such insurance coverage shall be \$25,000. In case of the death of a qualifying Employee, benefits due shall be paid to the beneficiary duly designated by the Employee before death, or, if none, to the estate of the Employee in accordance with Minnesota Statutes.

b. Any Employee who retires from employment with the City before January 1, 2013, and is receiving, or has applied for and will, within sixty (60) days of retirement, receive retirement pension benefits from or through the Public Employees Retirement Association shall, upon retirement receive from the Employer \$10,000 paid up life insurance. Upon such retirement, the ownership of the life insurance policy shall vest with the Employee.

c. Effective January 1, 2013, in lieu of the \$10,000 paid up life insurance benefit set forth in Article 17.2(b), any Employee hired in a City of Duluth LELS Union position who retires from employment with the City, and is receiving, or has applied for and will, within sixty (60) days of retirement, receive retirement pension benefits from or through the Public Employees Retirement Association shall, upon retirement receive from the Employer a one-time

deposit of \$5,000 into a post-employment health care savings plan account, known as the Minnesota Health Care Savings Plan (HCSP), administered by the Minnesota State Retirement System, established by the Employer in the name of the Employee.

#### ARTICLE 18 - SEVERANCE PAY

18.1. Any Employee who is laid off from their employment with the City, shall be entitled to a severance payment for a severance period equal to four months of that Employee's Monthly Pay as of the final day of employment, plus one additional week, calculated as .23 of that Employee's Monthly Pay as of the final day of employment, for each year of service in excess of 16 years, with total payment not to exceed 26 weeks. Such payments shall include salary and any earned longevity award only. Employer shall continue any severed Employee's hospital-medical, life, and dental coverages in force the same as if such severed Employee were an active Employee during the severance period. A correctly calculated portion of the severed Employee's severance payment shall be made every two (2) weeks during the severance period. If severed Employee returns to any position with the City during his or her severance period, severance payments shall cease and Employee shall forfeit any remaining severance amount. Unless specifically provided for in this Article 18, Employee shall not receive or be eligible for any additional benefit provided under this Agreement other than the re-employment rights set forth in Article 30 during the severance period. This article does not apply to an Employee who is discharged for cause.

18.2 When an Employee's employment shall cease as described in this article, the Employer may, at its sole discretion, place that Employee in a different position. If pay in the new position is equal to or greater than the pay of the position the Employee is leaving, then no severance pay is due under this article. If the pay of the new position is less than that of the old one, then the Employee shall continue to receive the pay rate of the position the Employee is leaving for the severance period calculated above.

18.3 No benefits provided in this Article shall be given to any Employee who is being involuntarily retired, is on probation, or holds a provisional or substitute appointment.

18.4. Any Employee hired on or before December 31, 2005, who ceases employment with the City with twenty (20) or more years of service shall receive hospital-medical benefit plan coverage to the same extent as active Employees paid for by the City. An Employee who has attained the age of 65 or meets any condition that qualifies him or her to be eligible for Medicare Coverage "A" and "B", the Employee must obtain it, or lose any benefits hereunder until he or she obtains Medicare Coverage "A" and "B". Employees hired on or before March 31, 1986 are not required to obtain Medicare Coverage "A" if such coverage requires paying a monthly premium. Employees hired on or before March 31, 1986 must obtain Medicare Coverage "A" if they are eligible for free Medicare Coverage "A" due to previous or contemporaneous employment, or as the spouse, divorced spouse, or widow(er) of a Medicare-covered individual. The City may provide a post 65 years old health insurance program in lieu of health care coverage provided active Employees except that the health insurance program, when combined with Medicare, will provide coverage no less than the coverage provided active Employees. The health insurance program may be fully insured or self-insured at the option of the City.

ARTICLE 19 – SAFETY & UNIFORM ALLOWANCE

19.1. The Employer agrees to maintain sanitary and safe working conditions. The Employer shall furnish safety appliances, special tools required for safety, and train the Employees using such equipment in the proper use of same. The Employer reserves the right to determine what departments and personnel should receive the above listed equipment. Employees covered hereby, in the performance of their jobs, shall at all times use safety devices and protective equipment which is furnished to them hereunder and comply with the safety, sanitary, and fire regulations issued by the Employer.

19.2 The Monthly Pay provided in this Agreement includes an amount to compensate Employees for their expense of purchasing and maintaining uniforms and suitable clothing required by the Employer.

ARTICLE 20 - PAID LEAVE

20.1. Effective January 1, 2012 through the end of the day on December 31, 2012 and commencing the first day of the month following the date of hire, Employees shall receive paid leave time in accordance with the following schedule:

<u>Years of Continuous Service</u>	<u>Hours Per Pay Period</u>
Commencing 0 through 8 (inclusive)	6.64 Hours
Commencing 9 through 16 (inclusive)	8.37 Hours
Commencing 17 years and over	10.10 Hours

Effective January 1, 2013, and commencing the first day of the month following the date of hire, Employees shall receive 8 hours of paid leave time which shall accrue per pay period. The Monthly Pay provided in this Agreement includes an amount to compensate Employees for paid leave accrual reductions from the parties' 2011 collective bargaining agreement.

a. All Employees must use at least 100 hours paid leave by the end of December 31 of each year or forfeit the unused portion of those 100 hours of paid leave without compensation at the end of the day on December 31, of that year. Employees will have any remaining paid leave over 200 hours at the end of December 31 converted into cash and deposited in their post employment health care savings plan account. The conversion will take place no later than February 15 of the following year.

20.2. All unused paid leave time over 200 hours accumulated by an Employee upon the end of the day of ratification of this Agreement shall be deposited permanently into an unused paid leave reserve bank for that Employee. Employees may use hours from their unused paid leave reserve bank but may not add additional accrued paid leave hours to their reserve bank after the bank has been established. The first one-third (1/3) of the Employee's unused paid leave reserve bank shall be converted into cash at his/her current rate of pay on the day after ratification of this Agreement and paid to the Employee. This cash payment shall be made within sixty (60) days following ratification of this Agreement. The second one-third (1/3) of the Employee's unused paid leave reserve bank shall be converted into cash at his/her current rate of pay as of January 1, 2013 and paid to the

Employee within sixty (60) days after January 1, 2013. The remaining one-third (1/3) in the Employee's unused paid leave reserve bank shall be converted into cash at his/her current rate of pay as of January 1, 2014 and paid to the Employee within sixty (60) days after January 1, 2014. Employees who separate employment from Employer before their total unused paid leave reserve bank has been converted into cash and paid shall have all remaining unused paid leave reserve bank hours converted into cash at their current rate of pay upon separation and paid on the payroll covering the last date of employment. This Section (20.2) shall expire and become null and void on December 31, 2014.

20.3. In the event of death of any Employee, any paid leave time accumulated to the credit of such deceased Employee shall be paid, at the rate of pay at time of death to his or her estate in accordance with Minnesota Statutes.

20.4. Special Carry-over.

The Chief Administrative Officer or his/her designee may, upon written recommendation of the department head, which states unique and exceptional cause, grant to an Employee the privilege of carrying over to the next calendar year an amount of paid leave in excess of that allowed by this contract. The excess amount of paid leave carry-over granted pursuant to this section must be used by the Employee during the first three months of the next calendar year.

20.5. An Employee may give his or her accumulated paid leave, or part of it, to another City Employee, under the following conditions: 1) the gift is voluntarily given; 2) the City allows the gift; and 3) the recipient is in a serious hardship situation that will be relieved by the gift.

ARTICLE 21 - SICK LEAVE

21.1. Effective the first day of the month following the date of hire, an Employee shall be granted up to 120 working days of sick leave with full pay during a calendar year, except that such sick leave shall not be applicable in connection with any illness or injury arising out of and in the course of employment by the City.

21.2. When an Employee is not able to report for duty, the Employee shall notify his or her supervisor, or a responsible person in the work group.

21.3. If an Employee's use of paid sick leave reasonably appears to be unjustified, the Appointing Authority may direct in writing to the Employee, for any absence by the Employee claimed to be allowable as paid sick leave, to furnish written explanation by a physician to justify the absence on paid sick leave. Failure to furnish the written explanation shall preclude the Employee from being allowed the absence as paid sick leave.

21.4. For purposes of this article, sick leave is defined to mean the absence of an Employee because of illness or injury, exposure to a contagious disease; provided no Employee, unless officially assigned to special duty, shall be granted paid sick leave for any injury or illness

resulting from any gainful employment on any job which is subject to the provisions of the worker's compensation laws of any state, other than regular City employment.

21.5 Paid Sick Leave on Paid Leave. Paid sick leave will not be allowed during a previously scheduled paid leave unless the Employee is under the care of a physician because of an unexpected injury or illness and the Employee furnishes to the Chief Administrative Officer or his/her designee a certificate, signed by the physician, indicating the number of days the Employee was actually confined to his or her home or hospital. The Employee will then receive paid sick leave for those days spent confined. If the Employee is exposed to a contagious disease and confined under doctor's orders, such Employee will be granted paid sick leave in lieu of paid leave.

21.6. Temporary Disability. Any Employee who is temporarily physically disabled may be offered a work assignment, at the Employee's current rate of pay, the duties of which the Employee is able to perform.

If the employer is not able to provide the Employee such an assignment, the Employee may continue to remain on paid sick leave as provided for in this contract. If such a suitable assignment is refused by the Employee, paid sick leave will be denied. Recognizing the varieties of illnesses and injuries and the Employee's ability to do the assigned work, each case will be evaluated on an individual basis. In case of dispute, the City may use its own physician in making the determination. The City reserves the right to review the assignment after every twenty (20) working days and to reassign the Employee to his or her regular duties, modify the assignment or extend the period of special assignment.

21.7. Employee Assistance Program. Any absence approved by the Appointing Authority for participation in the Employee's Assistance Program shall be allowed with pay.

21.8 Funeral Leave. The Appointing Authority may grant to a member of this unit up to a maximum of five (5) days of paid funeral leave for a death in the immediate family.

For the purposes of this section, immediate family is defined to include only any parent, child, brother, sister, spouse, grandparent, grandchild, son-in-law, daughter-in-law, brother-in-law, sister-in-law, or ward of the Employee, and any parent or grandparent of the Employee's spouse.

Employees must utilize accumulated paid leave or authorized unpaid leave for an absence for any funeral other than that of a member of the immediate family.

## ARTICLE 22 - LONG TERM DISABILITY INCOME

22.1. Effective the first day of the month following the date of hire, an Employee shall be eligible for long-term income protection to age 70 for disability; however, there shall be no such protection for disability caused by any injury or illness for which the Employee received professional medical care or treatment within ninety (90) consecutive days prior to when the Employee otherwise becomes eligible for such protection, unless ninety (90) consecutive days elapse from the time when the Employee otherwise would be eligible for such protection and

during such ninety (90) consecutive days the Employee neither receives nor requires professional medical care or treatment for such injury or illness.

22.2. For the purposes of this Article, disability means that which is caused by illness or injury which occurs during the Employee's term of employment and which prevents the Employee from performing the major tasks of the Employee's position.

22.3. Payment of benefits pursuant to this article to a disabled Employee shall commence when the employer determines that the Employee qualifies for benefits, and does not provide benefits under Article 22.4(b). The amount of such protection shall be 65% of the Employee's basic Hourly Rate as of the time that Employee's sick leave is exhausted, or the parties agree to commencement of such payments but shall not exceed an amount equivalent to a monthly rate of pay of \$3,500; however, for any pay period, the amount of such protection shall be reduced by any amount that the Employee receives for such pay period as a retirement or disability pension from the Public Employees Retirement Association or from the federal government pursuant to the federal Old-Age, Survivors and Disability Insurance Act, and by any other disability insurance or disability annuity payment, and by any amount that the Employee receives as worker's compensation in lieu of wages or salary. Any cost of living adjustment to any amount received as a retirement or disability pension or as worker's compensation shall not be used to reduce the amount of such protection. The amount of such protection for any pay period shall also be reduced by any amount that the Employee receives as wages or salary during that pay period, but only when the total amount that the Employee has received for wages or salary during the calendar year exceeds \$5,000.

22.4. a. Payment of benefits due under this article shall be calculated for each regular pay period, and shall be paid for the period at the same time as Employees are then paid pursuant to Article 23 of this Agreement. For any pay period the City may deduct from the payment of benefits any amount which the Employee previously received as payments of benefits but to which the Employee was not entitled because of the provisions of this Article.

b. As benefits due under this article, the employer may offer to any Employee who is disabled an assignment, at such Employee's present rate of pay, to any position, or one with tasks or equipment modified to accommodate the Employee's medical restrictions, in his or her present or lower classification, the duties of which the Employee is medically able to perform. Such assignment shall not result in the denial of, promotion to, or the layoff of, a classified Employee.

22.5. Within 24 months from the date of injury or illness causing such disability, if the Employee is still receiving benefits pursuant to this article, the Employee shall:

a. Return to the position with the City which the Employee occupied when he or she became disabled; or return to a position with the City, which may have tasks or equipment modified to accommodate Employee's medical restrictions, for which the Employee is qualified, if such position is available; but only if the Employee provides written information from a physician, chosen and compensated by the City, which indicates that the Employee is then capable of performing the duties of such position; or

b. Request rehabilitation or retraining designed to return the Employee to other work which produces an economic status as close as possible to that enjoyed by the Employee before the illness or injury; the costs of such rehabilitation and/or retraining shall be borne by the City; such rehabilitation or retraining may include, but is not limited to, medical evaluation, physical rehabilitation, work evaluation, counseling, job placement, and implementation of on-the-job short-term training; or

c. Apply for permanent total disability status. Total disability, (as defined in Minnesota Statute 176.101, Subd. 5) means the total and permanent loss of the sight of both eyes, the loss of both arms at the shoulder, the loss of both legs so close to the hips that no effective artificial member can be used, complete and permanent paralysis, total and permanent loss of mental faculties, or any other injury which totally incapacitates the Employee from working at an occupation which brings him or her an income.

22.6. Receipt of long-term income protection benefits shall cease at the expiration of 24 months from the date of injury or illness causing such total disability unless the Employee has complied with Section 22.5 of this Article and has been determined to be returned to work, rehabilitated and/or retrained, or eligible for continuing total disability benefits because he or she is disabled as defined in Section 22.5. Such determination shall occur when the employer notifies the Employee, in writing, of the decision and the medical data, including the attending physician's report, that forms a basis for the determination. The determination may be grieved pursuant to Article 32.

#### ARTICLE 23 - WORKER'S COMPENSATION

23.1. An Employee who suffers an injury compensable under the Worker's Compensation Act and is absent from work as a result thereof, shall be paid an amount by the Employer during such absence equal to the difference between the amount received by him or her under the Worker's Compensation Act and his or her Monthly Pay, including earned longevity award, subject to the following:

23.2. For each day of work absence the Employee shall be charged for one-third (1/3) of a day of sick leave. When the Employee's sick leave and vacation time have been exhausted, he or she shall no longer receive any salary or wages from the Employer while absent from work, except as otherwise provided by Article 22.

#### ARTICLE 24 - JURY DUTY

24.1. Employees shall receive a leave of absence with pay for any required appearance for jury duty; provided, however, that if an Employee is released from such duty prior to the expiration of his or her normal work day, he or she shall immediately return to his or her job and continue his or her duties as an Employee. The Employee shall pay to the city an amount equal to any payment the Employee receives for serving on jury duty.

## ARTICLE 25 - LEAVES OF ABSENCE

25.1. Any Employee who, for any reason considered good by the Appointing Authority, desires to secure leave from his or her regular duties, may, on written request approved by the Appointing Authority, be granted special leave of absence without pay for a period not exceeding one (1) year, provided; however, any leave that exceeds thirty (30) calendar days must also be approved by the Chief Administrative Officer or his/her designee.

25.2. Any Employee asking for special leave without pay shall submit his or her request in writing at least fifteen (15) calendar days prior to the date the Employee desires to leave, stating the reasons why in his or her opinion the request should be granted, the date when he or she desires the leave to begin and the probable date of his or her return.

25.3. The Appointing Authority or Chief Administrative Officer or his/her designee shall respond within five (5) calendar days of the request for each special leave of absence without pay in writing, stating if the leave is to be approved, whether the Employee granted such leave shall be entitled to his or her former position upon the Employee's return from such leave or whether his or her name shall be placed on the re-employment list for the class for which the Employee is classified.

25.4. No leaves without pay over thirty (30) calendar days will be granted until the Employee has used all accumulated paid leave.

25.5. No benefits or seniority shall be lost by the Employee during leaves of thirty (30) calendar days or less. No benefits or seniority shall be accrued after the first thirty (30) calendar days of any leave. Any Employee wishing to be covered under the City's insurance plans may for the first six (6) calendar months of such leave pay the Employee's and the employer's share of the cost of coverage.

25.6. Leave of absence without pay for a period of less than thirty (30) calendar days may be granted by a department head. Leaves of absence for over three (3) consecutive days should not be approved by any department head except for the following reasons:

- a. When it is shown that the City will benefit from such leave.
- b. Personal or family emergency.
- c. As provided for in Section 8 of this Article.
- d. Service upon a Board or a Commission where such leave is required for attendance at such meeting, and/or will benefit the City.

25.7. Military leaves of absence shall be granted as provided for in state and federal law.

25.8. City Employees who are officers or appointed representatives of the Employees' organization or appointed to its staff for the purpose of performing services for such organization shall be afforded reasonable time off for the purposes of conducting the duties of the Employee organization; and shall, upon request, be provided with leaves of absence to the elected or appointed capacity of the exclusive representative as required by law.

25.9. An Employee accepting an appointed position with the City, shall be on a leave of absence during the period of such appointment and upon the expiration of such appointment shall be reinstated to the class or prior appointed position held prior to such appointment.

## ARTICLE 26 - DISCIPLINE, SUSPENSIONS, REMOVALS

### 26.1. Discipline.

Disciplinary action may be imposed upon an Employee only for just cause. Disciplinary action may be grieved by the Employee through the regular Grievance procedure as provided in Article 32. Disciplinary action shall include only the following: 1) oral reprimand; 2) written reprimand or written record of an oral reprimand; 3) suspension; and 4) removal. Initial minor infractions which the supervisor determines warrant an oral reprimand will not normally result in a permanent written record of the reprimand being kept. Except in the case of a severe breach of discipline, any suspension, disciplinary demotion, or removal action shall be preceded by a written warning. An Employee shall be given the opportunity to have a Union representative present at any questioning of the Employee during a meeting with a supervisor for the purpose of determining what disciplinary action against the Employee will be taken. If the Appointing Authority has reason to reprimand an Employee, it shall be done in a manner that will not embarrass the Employee before other Employees or the public.

### 26.2. Suspensions.

a. The Appointing Authority or any supervisor acting for him or her in his or her absence, may for disciplinary purposes suspend without pay any Employee under his or her supervision from the performance of his or her duties for one (1) or more periods aggregating not more than thirty (30) working days in a calendar year for each disciplinary incident.

b. Employee to be Notified of Suspension. If the employer suspends any Employee, it shall forthwith give written notice to the suspended Employee stating the reason for the suspension and the duration thereof, and shall forthwith personally deliver such written notice to the Employee or send it by certified mail to the Employee's last known address; it shall also forthwith send to the Union a copy of the notice sent to the Employee. The notice shall also advise the Employee that he or she may grieve pursuant to Article 32 if the Employee believes the action is done without just cause or is otherwise in violation of this contract.

### 26.3. Removals.

a. An Appointing Authority may remove an Employee only for just cause.

b. Any charges filed against any Employee shall state specifically the just cause or causes the Appointing Authority feels are sufficient to constitute grounds for removal, and in addition, the specific act or acts of such Employee constituting such cause; provided, that in no case shall such vague and indefinite charges as "for the good of the City" be considered for removal and that in no case may an Employee be removed on account of his or her religious or political opinions or affiliations or for refusing to contribute to a political fund or to render political service.

c. Any Employee proposed to be removed for just cause, shall be notified in writing of the charges against him or her, the date of separation, and the rights of the Employee to file a formal Grievance under the Union contract. The Appointing Authority shall personally deliver such written notice to the Employee or send it by certified mail to the Employee's last known address and shall send to the Union a copy of such notice sent or delivered to the Employee.

d. If the Employee being removed files a Grievance, the Employee shall be placed on suspension without pay until the Grievance is resolved except in those cases where suspension without pay is prevented by law.

#### ARTICLE 27 - DEMOTIONS

27.1. Upon the request of an Employee or by the Appointing Authority, an Employee may be reclassified from a higher paid to a lower paid position, which in the discretion of the Appointing Authority, the Employee is eligible to fill.

27.2. The Appointing Authority proposing the demotion of an Employee shall make his or her recommendation in writing to the Chief Administrative Officer or his/her designee, and shall supply a copy to the Employee. The recommendation shall give the future date on which the proposed demotion is to become effective, the class to which it is proposed to demote the Employee, the new rate of pay, and any other information that the Chief Administrative Officer or his/her designee may require. The recommendation shall advise the Employee that he or she may grieve pursuant to Article 32 of this agreement if he or she does not agree with the Appointing Authority's recommendations.

#### ARTICLE 28 - RESIGNATIONS

28.1. Any Employee who wishes to resign in good standing shall give the Appointing Authority written notice of at least two (2) weeks, unless the Appointing Authority consents to his or her leaving on shorter notice.

28.2. An Employee who is absent from duty for three (3) consecutive business days without securing leave from his or her Appointing Authority shall be considered to have resigned.

## ARTICLE 29 - LAYOFF

29.1. When it becomes necessary, because of lack of work or funds, or to obtain efficiencies, or for other causes for which an Employee is not at fault, to reduce the number of Employees within a department, the following procedure shall apply, to the extent it is not superseded by the veterans' preference law:

a. All temporary, provisional and substitute Employees, who are employed in the title from which the layoff is made, shall be laid off first within that department.

b. Permanent Employees who are substituting in a vacant position shall, during any layoff affecting their permanent position or the position in which they are substituting, return to their permanent position.

c. Permanent Employees who are appointed provisionally shall, during any layoff affecting their permanent position or the position to which they were provisionally appointed, return to their permanent position.

d. Permanent Employees who are on a leave of absence shall, during any layoff affecting their position, return to their permanent position.

e. Layoffs from job titles that have multiple incumbents shall be made by inverse seniority in the job title from which the layoff is made.

29.2. The Appointing Authority shall notify in writing the Employee or Employees to be laid off at least ten (10) working days prior to actual layoff and shall transmit to the Union the names of those so notified.

## ARTICLE 30 - RE-EMPLOYMENT RIGHTS

30.1. The name of any classified Employee who has been laid off shall be placed on the re-employment list.

30.2. The names shall be arranged on the re-employment list in the order of their total seniority with the City; provided, that if any Employee has not been re-employed, the Chief Administrative Officer or his/her designee shall, on or about the anniversary date of the layoff, contact each person laid off by certified mail to determine if such person is interested in remaining on such list. If the person is no longer interested, or without giving a satisfactory reason, refuses to accept an appointment offered him or her, the Chief Administrative Officer or his/her designee may remove his or her name from any re-employment list. An Employee refusing to accept an appointment for the classification from which he or she was originally laid off shall have his or her name removed from such list.

30.3. Any name of any Employee which is placed on a re-employment list because of layoff shall be removed from such list by the Chief Administrative Officer or his/her designee twenty-four (24) months from the date of the Employee's layoff.

## ARTICLE 31 - PERSONNEL COMMITTEE

31.1. An Employee may request that the Employer complete a job audit if his/her position duties have changed significantly. A standing Personnel Committee consisting of the President of the Union or his/her designee and an Employer representative shall meet as necessary to review job audit requests and to determine whether a job audit should be conducted for the purpose of determining whether the specifications for a job classification should be amended, whether the position should be reclassified to a different job classification, or whether there is a need to establish a new job classification to describe the existing position. Job audits will be performed in the order determined by the Personnel Committee. The Personnel Committee shall meet and negotiate the pay rate for any position with a new, or amended job description, or any newly created classification which is represented by the Union.

31.2. Upon request, the Union will meet and confer with the Employer about management plans or projects.

## ARTICLE 32 - GRIEVANCE PROCEDURE

32.1. An Employee or group of Employees with a Grievance shall within twenty-one (21) calendar days after the first occurrence of the event giving rise to the Grievance present such Grievance through the Union in writing to the Chief Administrative Officer or his/her designee.

32.2. The Chief Administrative Officer or his/her designee shall present the Employer's position in writing to the Union within twelve (12) calendar days after receipt of such Grievance. The resolution of Grievances settled by the procedures set forth in this paragraph shall be reduced to writing and signed by the Employee or Employees, Union and the Employer.

32.3. If the Grievance is not settled in accordance with the foregoing procedure, Union may, within nine (9) calendar days after receipt of the reply of the Chief Administrative Officer or his/her designee, submit the Grievance to arbitration by serving notice in writing of such submittal upon the Chief Administrative Officer or his/her designee. The parties shall attempt to agree upon an arbitrator within seven (7) calendar days after submittal of the Grievance to arbitration and in the event the parties are unable to agree upon an arbitrator within said seven (7) day period, either party may request the Bureau of Mediation Services of the State of Minnesota to submit a panel of five (5) arbitrators. The parties shall each have the right to alternately strike two (2) names from the panel. If the parties are unable to agree on who shall strike the first name, the question shall be decided by a flip of the coin. The remaining person shall be the arbitrator. The arbitrator shall be notified of his or her selection by a joint letter from the parties requesting that he set a time and a place for a hearing on the Grievance, subject to the availability of the parties.

32.4. The arbitrator shall have no right to amend, modify, nullify, ignore, add to, or subtract from the provisions of this Agreement. He or she shall consider and decide only the specific issue(s) submitted to him or her in writing by the parties, and shall have no authority to make a decision on any other issue not so submitted to him or her. More than one Grievance may be heard by the same arbitrator by mutual agreement of the parties. Either party may, if it desires, submit a brief to the arbitrator setting forth its position with respect to the issue(s)

involved in a Grievance. 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 and rules and regulations having the force and effect of law. The arbitrator shall submit his or her decision in writing to the parties and shall file a copy of such decision with the Bureau of Mediation Services of the State of Minnesota. The decision shall be based solely upon his or her interpretation of the meaning or application of the express terms of this Agreement to the facts of the Grievance presented.

32.5. The decision of the arbitrator shall be final and binding upon the parties, except that an appeal may be taken to the District Court on the grounds that the order of the arbitrator violates the guidelines imposed upon him or her by the provisions of this article.

32.6. The fee and expenses of the arbitrator shall be divided equally between the parties; provided, however, that each party shall be responsible for compensating its own representatives and witnesses. If either party desires a verbatim record of the arbitration proceedings, it may cause such a record to be made, providing it pays for the record. If both parties desire a verbatim record of such proceedings, the cost shall be shared equally.

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

32.8. All documents, communications, and records dealing with a Grievance shall be filed separately from the personnel files of the Employees involved.

32.9. Access to all information necessary to the determination and processing of a Grievance shall be made available to all participants.

32.10 If, as a result of the reply of the Chief Administrative Officer or his/her designee's response in Section 32.2, the grievance remains unresolved and if the grievance involves the suspension, demotion, or discharge of an Employee who has completed the required probationary period, the grievance may be appealed either to Section 32.3 of this Article or to another procedure such as Veterans Preference or fair employment. If appealed to any procedure other than Section 32.3 of this Article, the grievance shall not be subject to the arbitration procedure provided in Section 32.3 of this Article. The aggrieved Employee shall indicate in writing which procedure is to be used – Section 32.2 of this Article or an alternative procedure – and shall sign a statement to the effect that the choice of an alternate procedure precludes the Employee from making an appeal through Section 32.3 of this Article.

The election set forth above shall not apply to claims subject to the jurisdiction of the United States Equal Employment Opportunity Commission. An Employee pursuing a remedy pursuant to a statute under jurisdiction of the United States Equal Employment Opportunity Commission is not precluded from also pursuing an appeal under the grievance procedure of this

Agreement. If a court of competent jurisdiction rules contrary to the ruling in EEOC v. Board of Governors of State Colleges and Universities, 957 F. 2d 424 (7<sup>th</sup> Cir.) cert. denied, 506 U.S. 906, 113 S. Ct. 299 (1992), or if Board of Governors is judicially or legislatively overruled, this paragraph of this Section 32.7 shall be null and void.

### ARTICLE 33 - COMPLETE AGREEMENT AND WAIVER OF BARGAINING

33.1. The parties acknowledge that the provisions contained in this Agreement constitute the entire agreement between the parties and the provisions of this Agreement are not subject to renegotiation, except with the mutual consent of the parties. Any and all prior agreements, resolutions, policies, rules and regulations regarding terms and conditions of employment to the extent inconsistent with the provisions of this Agreement are hereby superseded.

33.2. The parties agree to meet and confer in the labor-management committee to discuss appropriate changes in Medical Benefit Plan, Long Term Disability Plan, and any benefit plan features affected by state or federal legislation or regulation changes, and to achieve reasonable and conservative cost containment suggestions.

### ARTICLE 34 - UNIVERSAL LANGUAGE

The parties agree that in matters of medical and dental plan benefits, plan premiums, and sharing of plan costs between employer and Employee, it is beneficial to both parties to achieve language that is universal in all City bargaining unit agreements. If during the term of this agreement, the Employer enters into an agreement with another City bargaining unit that affects such language, the parties agree to meet and negotiate contract changes to achieve universal language, if possible.

### ARTICLE 35 - DURATION OF AGREEMENT

35.1. This Agreement shall be effective as of the 1st day of January, 2012, and shall remain in full force and effect through the 31st day of December, 2014, and from year to year thereafter as provided by PELRA.

35.2 Upon the Agreement expiration date of December 31, 2014, all Employees shall remain at their current step and shall not be eligible for any step progression or increases in longevity pay until a new agreement is reached by the parties.

### ARTICLE 36 – LABOR MANAGEMENT COMMITTEE

36.1 (a) The Employer and the Union will form a bona fide joint labor-management committee with the assistance of the Bureau of Mediation Services for the purpose of meeting and discussing matters of mutual concern. The labor-management committee shall be chaired jointly by a representative of the Employer and a representative of the Union, and shall consist of an equal number of appointed management and union representatives. The labor-

management committee has the authority to establish labor management subcommittees, monitor their progress, forward subcommittee recommendations to the Administration, and dissolve subcommittees. The labor-management committee shall operate on a recommendation basis only, and the committee chairs shall mutually determine all questions of process, procedure and agenda content. The labor-management subcommittees will be responsible for collaboratively addressing common interests that may include, but are not limited to the following:

- Budget related issues
- Working environment
- Health and safety issues
- Work process and customer service improvement
- Employee recruitment and retention
- Health Insurance

(b). The City's representative on the Joint Powers Enterprise Board of Trustees as defined in the Joint Powers Agreement will report, no less than quarterly, to the labor management committee regarding activity in the Duluth Joint Powers Enterprise Trust. The report will include information such as claims activity, actuarial reports, and financial statements, which will be comparable to that which was provided to the Health Insurance Labor Management Committee under the 2010 collective bargaining agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

CITY OF DULUTH

LAW ENFORCEMENT LABOR SERVICES,  
INC.

By \_\_\_\_\_  
Mayor

By \_\_\_\_\_  
Union Steward

Attest: \_\_\_\_\_  
City Clerk

By \_\_\_\_\_  
Business Agent

By \_\_\_\_\_  
Chief Administrative Officer

Countersigned:

\_\_\_\_\_  
City Auditor

Approved as to form:

\_\_\_\_\_  
City Attorney

APPENDIX 1

<u>TITLE</u>	<u>RANGE</u>	<u>JOB TITLE NUMBER</u>
Police Lieutenant	** 1105-1110	1511

\*\* Pay rate for an individual appointed to these positions is set by the Appointing Authority by designating in writing the pay range, which shall be one within the spectrum indicated in this appendix.

APPENDIX 2

Any Employee hired before February 1, 1991, who is covered by the City's group health insurance plan, shall have added to his or her monthly salary the amount of \$32.00. Employees hired after February 1, 1991 shall not receive the payment described above.

2012 PAY RANGE SCHEDULE

Effective January 1, 2012, monthly salaries of Employees in the various pay ranges shall be as follows:

<b>RANGE NO.</b>	<b>STEP A</b>	<b>STEP B</b>	<b>STEP C</b>	<b>STEP D</b>	<b>STEP E</b>
1110	5537	5805	6075	6412	6750
1105	5417	5680	5943	6275	6603

APPENDIX 3

Any Employee hired before February 1, 1991, who is covered by the City's group health insurance plan, shall have added to his or her Monthly Pay the amount of \$32.00. Employees hired after February 1, 1991 shall not receive the payment described above.

2013 PAY RANGE SCHEDULE

Effective January 1, 2013, Range No. 1105 shall be eliminated, and monthly salaries of Employees in the various pay ranges shall be as follows:

<b>RANGE NO.</b>	<b>STEP A</b>	<b>STEP B</b>	<b>STEP C</b>	<b>STEP D</b>	<b>STEP E</b>
1110	6136	6412	6637	6819	6988

APPENDIX 4

Any Employee hired before February 1, 1991, who is covered by the City's group health insurance plan, shall have added to his or her Monthly Pay the amount of \$32.00. Employees hired after February 1, 1991 shall not receive the payment described above.

2014 PAY RANGE SCHEDULE

Effective January 1, 2014, monthly salaries of Employees in the various pay ranges shall be as follows:

<b>RANGE NO.</b>	<b>STEP A</b>	<b>STEP B</b>	<b>STEP C</b>	<b>STEP D</b>	<b>STEP E</b>
1110	6259	6541	6770	6956	7127