

2018-2020

AGREEMENT

Between the

CITY OF DULUTH

and

CITY OF DULUTH SUPERVISORY ASSOCIATION

TABLE OF CONTENTS

<u>ARTICLE</u>		<u>PAGE</u>
1	Purpose of Agreement.....	1
2	Definitions.....	1
3	Recognition.....	2
4	Management Rights	3
5	Dues Checkoff	3
6	Savings Clause.....	3
7	Hours of Work	3
8	Salary	4
9	Holidays	5
10	Longevity Award	5
11	Pay Periods.....	6
12	Cafeteria Plan Contribution	6
13	Hospital-Medical Benefit Plan.....	6
14	Hospital-Medical Insurance - Retired Employees	11
15	Dental Insurance	13
16	Mandatory and Phased Retirement	13
17	Life Insurance	13
18	Severance Pay	14
19	Safety	15
20	Paid Leave.....	16
21	Sick Leave.....	17
22	Long Term Disability Income Protection	18
23	Worker's Compensation	20
24	Jury Duty.....	20
25	Leaves of Absence	20
26	Discipline, Removal, Suspension	21
27	Demotions.....	23
28	Resignations.....	23
29	Layoff.....	23
30	Re-employment Rights	24
31	Personnel Committee	24
32	Grievance Procedure.....	25
33	Complete Agreement and Waiver of Bargaining.....	26
34	Universal Language	26
35	Duration of Agreement	26
36	Labor Management Committee	26
	Appendix 1.....	28
	Appendix 2.....	30
	Appendix 3.....	31
	Appendix 4.....	32

THIS AGREEMENT is entered into by and between the CITY OF DULUTH, hereinafter called the "Employer", and CITY OF DULUTH SUPERVISORY ASSOCIATION, hereinafter called "CDSA".

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 CDSA, 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 CDSA agrees that neither the Association, its officers or agents, nor any of the Employees covered by this agreement will engage in any strike.

ARTICLE 2 - DEFINITIONS

2.1. Chief Administrative Officer means the Chief Administrative Officer of the City of Duluth, or his/her designee.

2.2. Appointing Authority means the Chief Administrative Officer, Department Head or acting Department Head, City Attorney, or their designees.

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 all personnel included in the formally recognized bargaining unit represented by CDSA.

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, through the end of the day on April 30, 2016. Effective May 1, 2016, the rate shall be determined by adding the Employees' Monthly Pay to his/her longevity award, if any, multiplying such number by 12 and dividing such number by 2080, 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.

2.8 Duluth Joint Powers Enterprise Trust or Trust means the Trust created for the purpose of accepting and holding certain Employer contributions or other contributions under the Plan(s).

2.9 Board of Trustees means the governing body of the Joint Powers Enterprise and the Joint Self Insurance Pool.

2.10 Joint Self Insurance Pool or Pool means the joint self-insurance pool created by the Members under Minnesota law, known as the Duluth Joint Insurance Pool, through which certain Plans are funded and operated.

2.11 Members means, unless one or more cease to be a Member pursuant to Article XVI or Article XVII of the Joint Powers Agreement, Employer, the Duluth Airport Authority, the Duluth Entertainment and Convention Center, and the Duluth Housing and Redevelopment Authority, and any other governmental entity, permitted by law, who subsequently becomes a Member under Article XX of the Joint Powers Agreement.

2.12 Plan(s) means one or more benefit plans (1) jointly sponsored and maintained by the Members, pursuant to the provisions of the Joint Powers Agreement, (2) authorized by Minnesota law and able to be provided jointly by Minnesota governmental entities, and (3) that provides benefits for a Member's employees, former employees, including retirees, and persons covered by them (e.g., dependents) in accordance with the terms and conditions of such benefit plan(s), including eligibility.

2.13 Joint Powers Agreement or JPA means the joint powers agreement entered into by and among the Members.

2.14 Joint Powers Enterprise means the enterprise jointly created by the Members and reflected in the Joint Powers Agreement.

ARTICLE 3 - RECOGNITION

3.1. The Employer recognizes CDSA as the exclusive bargaining representative of all personnel working in the job titles listed in Appendix 1 of this Agreement and as certified by the Bureau of Mediation Services and also defined as public Employees in Minnesota Statutes, Section 179A.03 Subdivision 14.

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 confer whether or not such person should be represented by CDSA prior to making a request to the Director of the Bureau of Mediation Services for a unit designation for such position.

3.3. In the event the Employer changes the method by which it implements the terms and conditions of this Agreement, it shall provide CDSA with written notice no less than ten (10) business days in advance. The notice shall specify the proposed change.

ARTICLE 4 - MANAGEMENT RIGHTS

The Employer and CDSA 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 reasonable 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 CDSA from the wages of all members of CDSA authorizing such deduction, in writing, and remit such deductions to the appropriate officer designated by CDSA 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 CDSA 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 deemed necessary by the Employer to perform their duties and responsibilities, and Employees 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 occupying positions listed in Appendix I of this Agreement are exempt from the overtime provisions of the Fair Labor Standards Act (FLSA) and Minnesota Fair Labor Standards Act (MFLSA).

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.

ARTICLE 8 – SALARY

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, 2018, Monthly Pay shall be increased by 3.00% as indicated in Appendix 2 and 3. Effective January 1, 2019, Monthly Pay shall be increased by 3.00% as indicated in Appendix 4 and 5. Effective January 1, 2020, Monthly Pay shall be increased by 2.50% as indicated in Appendix 6 and 7. Except as provided in 8.2 of this article, 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 Chief Administrative Officer. Employees shall advance one step in the Pay Range at the beginning of the next pay period following completion of each twelve (12) months service in their job title. Effective January 1, 2018, for job classifications with multiple pay ranges, Employees shall advance to Step E of the next highest pay range upon completion of twenty-four (24) months in Step E of their current pay range, unless the Employee is in a performance improvement plan (PIP). This twenty-four (24) month period shall not extend retroactively more than twenty-four (24) months prior to January 1, 2018. The parties agree to develop a mutually acceptable compensation model for the pay steps and pay ranges.

8.2. Whenever an Employee is promoted to a job title with a higher Pay Range or whenever the position which an Employee holds is reclassified to a job title with a higher Pay Range, such Employee's salary shall be increased to that salary in the new Pay Range which is next over the salary such Employee was receiving prior to such promotion or reclassification or to Step A of the new Pay Range, whichever is higher, except when a higher level of pay is approved by the Chief Administrative Officer. The Employee shall advance one Step in the new Pay Range at the beginning of the next pay period following completion of each twelve (12) months service in such new job title.

8.3. Whenever the position which an Employee holds is reclassified to a job title with a lower pay range, such Employee shall be placed in the new pay range at the step which would give such Employee the same salary as such Employee received at the time of such reclassification, and such Employee shall advance one step in the new pay range after each twelve (12) months of service in such new job title; provided, however, that if the salary of any such reclassified Employee is, at the time of reclassification, in excess of that provided for in Step E of the pay range of the new job title, such Employee shall remain at his or her pre- reclassification salary level for a period of one (1) year and shall then be placed at Step E of the new pay range unless, during such one (1) year period, the salary provided for in Step E of the new pay range is increased so that it exceeds the Employee's pre-reclassification salary level, in which case the Employee shall be placed at Step E of the new pay range at such time.

8.4 Department Head Pay.

a. A department head shall be an Employee who is working in a position of department head or acting department head as described in Sec. 21 of the City Charter, or any

successor provision of the charter.

b. The rate of pay of department heads shall be no less than that of pay range 1135, and no more than that of pay range 1170, as set out in the appendices to this agreement.

c. The exact rate of pay of a department head shall be determined by the Chief Administrative Officer, who shall make such determination based upon the demands of the position or the results of a periodic evaluation of the Employee's job performance, or both.

d. During the term of this agreement, the Chief Administrative Officer may increase or decrease the rate of pay of any department head in accordance with paragraph b and c above. However, such change in rate of pay shall become effective no sooner than ninety (90) days after the affected Employee's last prior change in rate of pay became effective.

Department heads shall not receive supplemental pay.

8.5 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 - PAY 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. For purposes of payroll administration, the amount of pay for each such two (2) week period shall be determined by multiplying the Employee's Hourly Rate by 75 through the end of the day on April 30, 2016. Effective May 1, 2016, for purposes of payroll administration, the amount of pay for each such two (2) week period shall be determined by multiplying the Employee's Hourly Rate by 80. Payments will be made by electronic deposit only. 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 - CAFETERIA PLAN CONTRIBUTION

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 hospital-medical benefit plan, the Employer shall make the amounts listed below available to the Employee for contribution to the Employer's Internal Revenue Code Section 125 cafeteria plan program.

a. \$304 per month for each eligible regular Employee either declining single-hospital medical benefit plan coverage (must provide proof of other coverage which meets the Affordable Care Act's minimum essential coverage requirements) or electing single hospital-medical benefit plan coverage; or

b. \$229 per month for each eligible regular Employee electing family hospital-medical benefit plan coverage.

ARTICLE 13 - HOSPITAL-MEDICAL BENEFIT PLAN

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

a. 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.

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

13.3. 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.

13.4. The Employer shall provide hospital-medical benefit plan coverage to the same extent as active Employees for the dependents of a deceased 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 62A, as amended.

13.5. 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.

13.6. 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 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.

13.7. Joint Powers Enterprise, Joint Self-Insurance Pool and Trust.

a. The Employer operates, on a joint basis with the HRA, DECC and DAA, one or more group health plans pursuant to the provisions of Minnesota Statutes Chapter 471 and Minnesota Rules Chapter 2785 for the purpose of providing health care benefits to eligible and enrolled Employees and their beneficiaries as described in Article 13.1 above. The Employer agrees to transfer and deposit monthly all premiums as described in Article 13.1(a) and (b) into the Trust.

b. The Employer, as a Member of the Joint Powers Enterprise, agrees to ensure that the administration of the Pool and Trust complies with the provisions of Minnesota Statutes Chapter 471, as amended, and Minnesota Rules Chapter 2785, as amended.

c. Monies in the Joint Insurance Pool Trust shall only be expended for payment of participant health care benefit expenses, purchase of health and dental insurance (including stop loss insurance), payment of expenses incurred in the administration of the Employer's health care and dental care programs, and other health-related expenses. Expenses made pursuant to the Worker's Compensation laws, the cost of physical exams of, or medical services for, Employees which exams or services are required by the City or another governmental agency shall not be eligible expenses paid from the Trust. Any funds expended from the Trust that are later determined by the Employee Benefits Administrator or through court action, arbitration, or mediation to have been more correctly charged to Worker's Compensation shall be promptly reimbursed to the Trust. Reimbursements received by the Employer from stop loss insurance shall be promptly deposited in the Trust.

d. The Employer, as a Member of the Joint Powers Enterprise, agrees to ensure that the setting of reserves in the Pool complies with the provisions of Minnesota Statutes Chapter 471, as amended, and Minnesota Rules Chapter 2785, as amended.

e. The Employer's representative on the Board of Trustees as defined in the JPA will propose to the Board that premiums be established by October 15, of the prior year, to be in effect January 1 of each year for twelve (12) consecutive calendar months. The Employer's representative shall provide written notice to the joint Health Insurance Labor Management Subcommittee of the premium rate established no later than November 1 following the Board's premium rate decision.

f. If monies in the Trust are at any time insufficient to pay the expenses described in this Article, the Employer shall provide sufficient monies to such Trust as required by the Board of Trustees to cover the deficit.

13.8. The Employer, as a Member of the Joint Powers Enterprise, agrees to ensure that the setting of premium rates for the group health insurance plans of the Pool, a.) complies with the provisions of Minnesota Statutes Chapter 471, as amended, and Minnesota Rules Chapter 2785, as amended and b.) provides for an amount of premiums for the Trust for its fiscal year that is sufficient to provide for 1) the payment of expected health care claims for the current fiscal year, 2) a reasonable and appropriate reserve necessary to cover incurred and unreported claims, stop-loss liabilities, and other potential claims and liabilities, 3) stop-loss and other necessary insurance costs, 4) contract costs for third party claims administrator services, and 5) other administrative costs of the Pool as determined by the Board of Trustees to be necessary for administration of the Pool. The Employer will notify the joint Health Insurance Labor Management Subcommittee of the Board's premium rate decision along with supporting documentation and methodology for the rate determination.

13.9. The Employer, as a Member of the Joint Powers Enterprise, agrees that, if, in the opinion of the Board of Trustee's legal counsel, the meetings of the Board are not subject to the Minnesota Open Meeting Law, (Minn. Statutes Chapter 13D), the Employer will propose to the Board of Trustees that the proceedings of the Joint Powers Enterprise shall be conducted in accordance with the provisions of the Minnesota Open Meeting Law, (Minn. Statutes Chapter 13D).

13.10. The Employer's representative on the Joint Powers Enterprise Board of Trustees as defined in the Joint Powers Agreement will report, after every meeting of the Board of Trustees, and in any event no less than quarterly, to the joint Health Insurance Labor Management Subcommittee regarding activity in the 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.

13.11. CDSA acknowledges that the Employer 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 (e), Article 13.9 and Article 13.10 as set forth in the 2010 collective bargaining agreement between the parties shall become effective immediately.

13.12. Health Insurance Labor-Management Subcommittee.

It is jointly agreed between CDSA and the City that the goal of the two parties is to establish a city-wide joint health insurance labor-management subcommittee under the labor management committee set forth in Article 36. In the event a city-wide labor management committee is not established pursuant to Article 36, the Employer and CDSA shall establish a joint health insurance labor management committee to carry out the intents and purposes of this Article 13.

1. The purpose of the joint Health Insurance Labor-Management Subcommittee is to meet and discuss issues relating to health care for plan participants and to:

- a. raise issues, questions, concerns and recommendations to the City's representative to the Board of Trustees relating to the Pool;
- b. to keep the plan participants informed of the activities of the Board of Trustees;
- c. to offer recommendations to the City representative on the Board of Trustees for modifications and additions to plan provisions offered under the Employer's health plans and to propose programs such as wellness or other health promotion programs.

2. It is the intent of the parties that the Health Insurance Labor-Management Subcommittee shall be comprised of the following members, equally divided between union and management representatives:

- a. One member selected by each of the City bargaining units adopting this agreement, and one additional member selected by the Basic Unit;
- b. The Chief Administrative Officer of the City or his/her designee; and
- c. As many management representatives, or their designees, selected by the Chief Administrative Officer of the City, as are necessary to balance the Committee evenly between bargaining unit and management representatives;
- d. There shall be one member selected by the City's retiree's organization.

3. The Health Insurance Labor-Management Subcommittee shall:

a. Establish by-laws for its organization and operation.

b. Recommend for negotiation the number and type of health insurance plans and the benefit levels in such plans that will be offered to City Employees and others participating in the City's health insurance program.

4. The joint Health Insurance Labor-Management Subcommittee may, at its discretion, provide its views to the Board of Trustees on matters related to the operation of the Pool including, but not limited to:

a. the selection of the third-party administrator for the Employer's health and dental plans;

b. the nature and costs of various service providers to the Pool;

c. the nature and costs of administrative services provided by the City to the Pool, including wellness and health promotion programs recommended by the Wellness Committee.

5. The Employer, as a Member of the Joint Powers Enterprise, agrees to inform the joint Health Insurance Labor Management Subcommittee of the dates, times and locations of all meetings of the Board of Trustees and shall provide to the Subcommittee meeting materials related thereto.

13.13. Monthly Health Care Savings Plan Contribution.

a. **Monthly Health Care Savings Plan Contribution for Employees hired before January 1, 2006.** In addition to the Monthly Pay prescribed elsewhere in this contract, and effective January 1, 2008, any full time and permanent Employee shall receive 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.

b. **Monthly Health Care Savings Plan (HCSP) Contribution for Employees hired on or after January 1, 2006.** Effective January 1, 2019, in addition to the monthly pay prescribed elsewhere in this contract, any full time and permanent employee hired on or after January 1, 2007 shall receive an amount equal to two and one quarter percent (2.25%) of his/her Basic Monthly Pay deposited 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.

13.14. One-Time Health Care Savings Plan Contribution. 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 onetime 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.

13.15. The Employer agrees to deposit all Employees' unused flexible benefits spending account monies as of the end of the calendar year that are not eligible for carryover pursuant to Internal Revenue Code Section 125 into the JPE Trust.

13.16. **Wellness Program.** Effective January 1, 2019, the Employer agrees to reimburse an Employee up to \$40.00 monthly for the cost of membership in a health or fitness program. To become eligible for reimbursement, an Employee must submit to the City Wellness Coordinator, or his/her designee, proof of participation at least eight (8) times that calendar month and payment made for that calendar 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 any Employee who is currently receiving disability benefits from the Public Employees Retirement Association, shall receive hospital-medical benefit plan coverage to the same extent as active Employees as set forth in Article 13.1, 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 CDSA agree that any change in such coverage shall only be done through negotiations.

15.2. An Employee shall have the additional options, within the period of open enrollment, to increase the annual dental insurance maximum benefit to \$2,000 per person and/or elect family dental coverage. The Employee shall pay the additional cost of the benefit increase above what is provided by the Employer in Article 15.1.

ARTICLE 16 - MANDATORY AND PHASED RETIREMENT

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. The Chief Administrative Officer may offer one or more qualified Employees the Public Employees Retirement Association (PERA) *Phased Retirement Option Agreement*. The Employee must be deemed qualified for the *Phased Retirement Option Agreement* pursuant to PERA rules and regulations, which may be amended by PERA during the term of this Agreement. An Employee's acceptance of the PERA *Phased Retirement Option Agreement* offer from the Chief Administrative Officer is voluntary. Employees accepting the PERA phased retirement plan option are bound by the terms and conditions of the PERA *Phased Retirement Option Agreement*, in addition to this Agreement, where this Agreement is applicable. Employees must separate from City employment upon expiration of the *Phased Retirement Option Agreement* term.

16.3. Employees electing the PERA *Phased Retirement Option Agreement* pursuant to this Article shall work Part-Time. They shall work five (5) days per Pay Period. Their amount of salary per Pay Period shall be determined by multiplying their Hourly Rate by 37.5 hours through the end of the end of the day on April 30, 2016. Effective May 1, 2016, their amount of salary per Pay Period shall be determined by multiplying their Hourly Rate by 40 hours. Employees will receive all benefits in this Agreement except Severance Pay (Article 18), Paid Leave (Article 20), Health Care Savings Plan contributions (Article 13), and Sick Leave (Article 21). Employees will receive Holidays off pursuant to Article 9 without pay.

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 Public Employees Retirement Association, or retires and has vested right to receive a retirement pension 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. No person covered by this labor agreement who: 1) retires from City employment after working in a City job that required him or her to be a licensed peace officer of the state of Minnesota; or 2) retired from City employment after working a position in the Duluth Fire Department involved in fire prevention or suppression shall receive any benefit under Article 17.2 unless the person has been Continuously Employed by the City for a period of at least twenty (20) years and also is qualified by that employment to receive retirement pension benefits from the Police and Fire Fund of the Public Employees Retirement Association.

c. 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 or through the Public Employees Retirement Association shall, upon retirement receive from the Employer a one-time cash payment of \$5,000.

ARTICLE 18 - SEVERANCE PAY

18.1. Any classified Employee or Assistant City Attorney who is involuntarily laid off from their employment with the City, shall be entitled to severance payments 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 at .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, earned longevity award, and any other contractual monthly payments customarily made to Employee. Employer shall continue any severed Employee's hospital-medical, life, and dental coverages, including monthly employer premium cost-sharing, to the same extent as active employees during the severance period. A correctly calculated portion of the severed Employee's severance payments shall be made to the Employee each pay period during the severance period. However, on the pay date following four pay periods of severance payments, the Employer shall pay the total remaining severance payment amount to the Employee. If the severed Employee returns to any position with the Employer during his or her severance period, severance payments shall cease and Employee shall forfeit any remaining severance amounts not already paid. Unless specifically provided for in this Article 18, a severed Employee shall not receive or be eligible for

any additional benefit provided under this Agreement during the severance period other than re-employment rights set forth in Article 30. Except for Assistant City Attorneys, when an Employee's employment shall cease as described in this article, the Employer may, at its sole discretion, offer that Employee 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. This Article does not apply to Employees discharged for cause, probationary Employees, or Employees in a provisional or substitute appointment.

18.2. Any unclassified Employee as described in Article 26.3(e) 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 paid in a lump sum. Such payments include salary, earned longevity award, and any other contractual monthly payment customarily made to Employee. Employer shall continue any severed Employee's hospital-medical, life, and dental coverages, including Monthly Employer premium cost-sharing to the same extent as active Employees during the severance period. If the Employee returns to any position with the Employer during his or her severance period, severance payments shall cease and Employee shall forfeit any remaining severance amounts not already paid.

18.3. 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", 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

19.1. The Employer agrees to maintain sanitary and safe working conditions. The Employer shall furnish safety appliances, special tools required for safety, and scaffolding, 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.

ARTICLE 20 - PAID LEAVE

20.1. Effective May 1, 2016, commencing 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 (80 hours)</u>
Commencing 0 through 8 (inclusive)	7.08 Hours (23 days/year)
Commencing 9 through 16 (inclusive)	8.92 Hours (29 days/year)
Commencing 17 years and over	10.77 Hours (35 days/year)

20.1(a) All Employees who have accrued over 160 hours of paid leave by the end of December 31 will have any remaining hours over 160 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 160 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.

Post 2015 Year-End Conversion:

<u>Years of Continuous Service</u>	<u>Hours into HCSPA</u>
Commencing 0 through 8 (inclusive)	Up to 48 hours
Commencing 9 through 16 (inclusive)	Up to 64 hours
Commencing 17 years and over	Up to 80 hours

20.2. 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, 2015, the maximum amount allowed to an Employee shall be 300 hours. At the end of day of December 31 of all subsequent years, the maximum amount allowed to an Employee shall be 320 hours.
- c. 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 60 working days of sick leave with full pay during a calendar year, except that such minimum requirement shall not be applicable in connection with any illness or injury arising out of and in the course of employment by the City.

Immediate Family. For the purposes of this Section, immediate family is defined to include any parent, stepparent, child, stepchild, brother, stepbrother, sister, stepsister, spouse, grandparent, grandchild, son-in-law, daughter-in-law, brother-in-law, sister-in-law, mother-in-law, father-in-law, grandparent-in-law, or ward or legal dependent of the Employee.

21.1 (a) Sick Leave Benefits for Care of Relatives. Employees may use paid sick leave to care for members of their immediate family pursuant to Minnesota Statutes Section 181.9413: absences due to an illness of or injury to a member of the Immediate Family for reasonable periods of time as the Employee's attendance may be necessary, on the same terms upon which the Employee is able to use sick leave benefits for the Employee's own illness or injury. Pursuant to the minimum requirements of Minn. Stat. 181.9413, except for absences due to the illness or injury of a child, an Employee's use of sick leave in accordance with this Section 21.(a) shall not exceed 200 hours in any 12-month period.

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.

ARTICLE 22 - LONG TERM DISABILITY INCOME PROTECTION

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

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 has a disability and chooses not to provide benefits to the Employee under Article 22.4(b). The amount of such protection shall be 65% of the Employee's Monthly Pay, including earned longevity award, at the commencement of the qualifying disability but shall not exceed gross Monthly Pay of \$7,000. During 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 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 from any source, including the Employer, 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 Statue 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.

23.3. Employees shall continue to receive, retain, and accrue all other benefits under this Agreement and pursuant to the Minnesota Worker's Compensation Act, Minnesota Statutes Chapter 176.

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.

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.

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

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

25.9. 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.

25.10. An Employee accepting an appointed position with the City, or an Assistant City Attorney accepting a different 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 Employee conduct, any suspension, disciplinary demotion, or removal action shall be preceded by a written warning. An Employee shall be given the opportunity to have a CDSA representative present at any investigatory meeting of the Employer for the purpose of determining what disciplinary action against the Employee may be taken. If the Employee requests such representation during the meeting, the Employer must suspend the meeting until the Employee has a reasonable opportunity to obtain a CDSA representative. 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 work days aggregating not more than thirty (30) work days in a calendar year.

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 CDSA 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, except those covered by paragraph 26.3(e), 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 CDSA 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 CDSA 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.

e. Unclassified City Employees that are appointed by the Mayor or the City's Chief Administrative Officer, whether or not approved by the City Council, or whose appointment must be approved by the Chief Administrative Officer under Section 21 of the City Charter, may be removed from their appointed position without cause. Article 29 (Layoffs) does not apply to removals made pursuant to this Section 26.3(e). Employees who have held their appointed position for more than one year who then return to their previous CDSA position with the Employer after removal from their appointed position shall continue to be compensated at their rate of pay in the appointed position at the time of the removal for a period of four (4) weeks while working in the classified position.

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.

28.3. 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, and any Severance Pay authorized by Article 18.

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 offer to meet with and 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 CDSA the names of those so notified. Employees shall be given the opportunity to have a CDSA representative present at any layoff notification meeting.

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. The names of Assistant City Attorneys who have been laid off shall be placed on a recall list.

30.2. The names shall be arranged on the re-employment list or the Assistant City Attorney recall 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 a position from which he or she was originally laid off shall have his or her name removed from such list. Assistant City Attorneys shall be recalled from the Assistant City Attorney recall list based on qualifications for the available position, and if not qualified shall remain on the list for the remainder of the twenty-four (24) month period.

30.3. Any name of any Employee which is placed on a re-employment list or the Assistant City Attorney recall 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 executive board of CDSA and designee and an Employer representative shall meet at least once every three (3) months 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 CDSA.

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

31.3. The parties agree to meet and confer on the results of the Class and Compensation Study and negotiate contract changes, if possible; not subject to interest arbitration.

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 CDSA 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 CDSA 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, CDSA and the Employer.

32.3. If the Grievance is not settled in accordance with the foregoing procedure, CDSA 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. Arbitration hearings must be conducted within six (6) months of the Chief Administrative Officer's final response.

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 the six (6) month arbitration deadline is not met, 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, CDSA 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.

ARTICLE 33 - COMPLETE AGREEMENT, WAIVER OF BARGAINING, AND RE-OPENERS

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, or as provided in Article 31 or this article.

33.2. The parties agree to meet and confer in the Health Insurance Labor-Management Insurance Subcommittee to discuss appropriate changes in hospital-medical benefit plan, dental insurance plan, and any benefit plan features affected by state or federal legislation or regulation changes, and to achieve reasonable and conservative cost containment suggestions, and then, upon request of either party, to meet and negotiate contract changes, if possible.

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, 2018, and shall remain in full force and effect through the 31st day of December, 2020, and from year to year thereafter as provided by PELRA.

ARTICLE 36 – LABOR-MANAGEMENT COMMITTEE

CDSA will work with the administration to create bona fide labor-management committees with the assistance of the Bureau of Mediation Services for the continuing 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 CDSA, 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, including the joint Health Insurance Labor Management Subcommittee provided for in Article 13.13, 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:

1. Budget related issues
2. Working environment
3. Health and safety issues
4. Work process and customer service improvement
5. Employee recruitment and retention

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this _____ day of _____, 2018.

CITY OF DULUTH

CITY OF DULUTH
SUPERVISORY ASSOCIATION

By _____
Mayor

By _____
President

Attest: _____
City Clerk

By _____
Secretary

By _____
Chief Administrative Officer

Countersigned:

City Auditor

Approved as to form:

City Attorney

APPENDIX 1

<u>TITLE</u>	<u>RANGE</u>	<u>JOB CLASS NO.</u>
Aerial Lift Bridge Supervisor	1075	1526
Assessor	1135	1310
Assistant City Attorney	***	1311
Assistant City Clerk	1055	1354
Assistant Manager, Parks & Recreation	**1070-1080	1372
Auditor	1115	1316
Budget Manager	**1105-1115	1315
Business Resources Manager	1125	1355
Chief Engineer, Transportation	**1130-1140	1307
Chief Engineer, Utilities	**1130-1140	1305
Chief Financial Officer	*1135-1170	1112
City Clerk	**1115-1130	1323
City Engineer	**1130-1140	1301
City Treasurer	**1105-1115	1322
Construction Project Supervisor	**1095-1105	1375
Construction Services Manager	**1100-1115	1370
Deputy Fire Chief	**1130-1135	1206
Deputy Police Chief	**1140-1150	1205
Director, Business & Economic Development	*1135-1170	1115
Director, Planning & Construction Services	*1135-1170	1118
Director, Public Administration	*1135-1170	1111
Director, Public Works & Utilities	*1135-1170	1102
Director, Workforce Development	*1135-1170	1120
Facility Operations Supervisor	1075	1342
Financial Systems Administrator	1085	1341
Fire Chief	*1135-1170	1108
Gas Control Supervisor	**1080-1095	1816
Human Resources Supervisor	**1100-1110	1378
Library Supervisor	**1055-1075	1369
Manager, Customer Service	**1115-1130	1356
Manager, Fleet Services	**1100-1115	1754
Manager, Human Resources, Healthcare & Safety	**1115-1140	1321
Manager, Library Services	**1105-1125	1113
Manager, MIS	**1125-1135	1312
Manager, Parks & Recreation	**1105-1130	1114
Manager, Planning & Community Development	**1090-1115	1373
Manager, Utility Operations	**1115-1130	1357
Manager, Workforce Development	**1085-1105	1345
Measurement Services Supervisor	**1090-1105	1358
Operations Coordinator, Parks & Recreation	1070	1368
Parking Manager	**1095-1100	1338
Parks & Grounds Maintenance Supervisor	**1075-1090	1719
Police Captain	**1115-1125	1362
Police Chief	*1135-1170	1107

APPENDIX 1 (continued)

<u>TITLE</u>	<u>RANGE</u>	<u>JOB CLASS NO.</u>
Property & Facilities Manager	**1125-1135	1119
Property Services Supervisor	**1055-1070	1371
Public Information Officer	**1085-1100	1379
Purchasing Agent	1100	1336
Safety & Training Officer	**1100-1110	1361
Senior Engineer	**1105-1115	1376
Street Maintenance Manager	**1115-1130	1377
Street Maintenance Supervisor	**1075-1090	1517
Supervisor, Parking & Traffic Maintenance	**1070-1075	1516
Utility Customer Service Supervisor	**1080-1095	1359
Utility Operations Supervisor	**1080-1095	1550
Water Plant Supervisor	**1075-1085	1366

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.

Compensation for department heads is set in accordance with Article 8.

* These positions are department heads. Pay is set according to Article 8 within ranges 1135 to 1170.

** 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.

*** Pay rate for Assistant City Attorney is that provided in Appendix 2, 3, and 4. Should the city attorney appoint a deputy city attorney or chief prosecutor to carry out administrative duties, that person or persons shall receive an additional .5 percent of compensation during each month of service.

APPENDIX 4

2020 Pay Range Schedule CDSA											
	Step A		Step B		Step C		Step D		Step E		
No:	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	
1170	113,409	9451	118,968	9914	124,527	10377	131,443	10954	138,333	11528	
1165	110,604	9217	115,993	9666	121,369	10114	128,155	10680	134,862	11239	
1160	107,824	8985	113,044	9420	118,316	9860	124,880	10407	131,482	10957	
1155	104,967	8747	110,082	9173	115,223	9602	121,656	10138	128,077	10673	
1150	102,253	8521	107,276	8940	112,235	9353	118,538	9878	124,736	10395	
1145	99,512	8293	104,353	8696	109,208	9101	115,315	9610	121,304	10109	
1140	96,915	8076	101,691	8474	106,389	8866	112,339	9362	118,198	9850	
1135	91,330	7611	95,780	7982	100,230	8352	105,815	8818	111,374	9281	
1130	87,872	7323	92,192	7683	96,459	8038	101,822	8485	107,159	8930	
1125	84,780	7065	88,969	7414	93,092	7758	98,259	8188	103,440	8620	
1115	83,057	6921	87,076	7256	91,135	7595	96,211	8018	101,326	8444	
1110	81,335	6778	85,276	7106	89,256	7438	94,201	7850	99,160	8263	
1105	79,573	6631	83,449	6954	87,311	7276	92,179	7682	96,994	8083	
1100	77,759	6480	81,531	6794	85,406	7117	90,117	7510	94,867	7906	
1095	76,037	6336	79,730	6644	83,462	6955	88,094	7341	92,648	7721	
1090	74,301	6192	77,877	6490	81,491	6791	86,046	7170	90,613	7551	
1085	72,501	6042	76,428	6369	80,252	6688	84,167	7014	88,407	7367	
1080	70,791	5899	74,419	6202	78,138	6511	82,105	6842	86,724	7227	
1075	69,003	5750	72,435	6036	76,037	6336	79,834	6653	83,853	6988	
1070	67,164	5597	70,439	5870	73,675	6140	77,746	6479	81,922	6827	
1055	65,572	5464	68,716	5726	71,940	5995	75,959	6330	79,939	6662	
1050	63,784	5315	66,929	5577	69,982	5832	73,949	6162	77,786	6482	
1045	62,740	5228	65,767	5481	68,808	5734	72,657	6055	76,507	6376	
1040	60,978	5082	63,993	5333	66,929	5577	70,635	5886	74,367	6197	
1035	59,621	4968	62,544	5212	65,715	5476	69,121	5760	72,553	6046	
1030	56,255	4688	59,034	4919	61,761	5147	65,232	5436	68,703	5725	
1025	53,240	4437	55,824	4652	58,421	4868	61,696	5141	64,893	5408	
1020	50,356	4196	52,797	4400	55,289	4607	58,355	4863	61,396	5116	
2020 Pay Range Schedule for <i>Assistant City Attorneys</i>											
No:	Annual	Monthly									
Step 1	65,728	5477									
Step 2	66,381	5532									
Step 3	72,435	6036									
Step 4	75,828	6319									
Step 5	79,156	6596									
Step 6	82,901	6908									
Step 7	87,142	7262									
Step 8	91,396	7616									
Step 9	95,611	7968									
Step 10	99,851	8321									
Step 11	104,614	8718									
Step 12	110,004	9167									
Step 13	118,838	9903									
Step 14	120,860	10072									
Step 15	126,198	10516									