

LABOR AGREEMENT  
BETWEEN

CITY OF CANNON FALLS

AND

INTERNATIONAL UNION OF OPERATING  
ENGINEERS

LOCAL No. 49, AFL-CIO



January 1, 2015 - December 31, 2017

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**ARTICLE I**  
**PURPOSE OF AGREEMENT**

This agreement is entered into between the City of Cannon Falls hereinafter called EMPLOYER, and Local No. 49, International Union of Operating Engineers, hereinafter called the UNION. The intent and purpose of this AGREEMENT is to:

- 1.1 Establish certain hours, wages and other conditions of employment;
- 1.2 Establish procedures for the resolution of disputes concerning this AGREEMENT'S interpretation and /or application;
- 1.3 Specify the full and complete understanding of the parties; and
- 1.4 Place in written form the parties' agreement upon terms and conditions of employment for the duration of the AGREEMENT.
- 1.5 The EMPLOYER and the UNION, through this AGREEMENT, continue their dedication to the highest quality of public service. Both parties recognize this AGREEMENT as a pledge of this dedication.

**ARTICLE II**  
**RECOGNITION**

The EMPLOYER recognizes the UNION as the exclusive representative under Minnesota Statutes, Section 179.71, Subd. 3 in an appropriate bargaining unit consisting of the following job classifications: All employees of the Public Works Department of the City whose employment service exceeds the lesser of the 14 hours per week or 35 percent of the normal work week and 67 days per year. Excluded are full time students who work no more than 100 work days per year, and supervisory and confidential employees.

**ARTICLE III**  
**UNION SECURITY**

In recognition of the UNION as the exclusive representative, the EMPLOYER shall:

- 3.1 Deduct each payroll period an amount sufficient to provide the payments of dues established by the UNION from the wages of all employees authorizing in writing such deduction, and
- 3.2 Remit such deduction to the appropriate designated officer of the UNION.

- 3.3 The UNION may designate certain employees from the bargaining union to act as stewards and shall inform the EMPLOYER in writing of such choice.
- 3.4 The UNION agrees to indemnify and hold the EMPLOYER harmless against any and all claims, suits, orders, or judgments brought or issued against the city as a result of any action taken or not taken by the city under the provisions of this Article.

#### **ARTICLE IV** **EMPLOYER SECURITY**

- 4.1 The UNION agrees that during the life of this AGREEMENT it will not cause, encourage, participate in or support any strike, slow down other interruption of or interference with the normal functions of the EMPLOYER.
- 4.2 Any employees who engages in a strike, may have his (her) appointment terminated by the EMPLOYER effective the date the violation first occurs. Such termination shall be effective upon written notice served upon the employee.
- 4.3 An employee who is absent from any portion of his work assignment without permission, or who abstains wholly or in part from the full performance of his duties without permission from his (her) EMPLOYER on the date or dates when a strike occurs is prima facie presumed to have engaged in a strike on such date or dates.
- 4.4 An employee who knowingly strikes and whose employment has been terminated for such action may, subsequent to such violation, be appointed or employed or re-employed, but the employee shall be on probation for two years with respect to such civil service status, tenure or employment, as he (she) may have theretofore been entitled.
- 4.5 No employee shall be entitled to any daily pay, wages or per diem for the days on which he (she) engaged in a strike.

#### **ARTICLE V** **EMPLOYER AUTHORITY**

- 5.1 The EMPLOYER retains the full and unrestricted right to operate and manage all manpower, facilities, and equipment; to establish functions and programs; to set and amend budgets; to determine the utilization of technology; to establish and modify the organizational structure; to select, direct and determine the number of personnel; to establish work schedules, and to perform any inherent managerial function not specifically limited by this AGREEMENT.

- 5.2 Any term and condition of employment not specifically established or modified by this AGREEMENT shall remain solely within the discretion of the EMPLOYER to modify, establish, or eliminate.

## **ARTICLE VI**

### **EMPLOYEE RIGHTS-GRIEVANCE PROCEDURE**

**6.1 DEFINITION OF A GRIEVANCE**

A grievance is defined as a dispute or disagreement as to the interpretation or application of the specific terms and conditions of this AGREEMENT.

**6.2 UNION REPRESENTATIVES**

The EMPLOYER will recognize representatives designated by the UNION as the grievance representatives of the bargaining unit having the duties and responsibilities established by this Article. The UNION shall notify the EMPLOYER in writing of the names of such UNION representatives and of their successors when so designated.

**6.3 PROCESSING OF A GRIEVANCE**

It is recognized and accepted by the UNION and the EMPLOYER that the processing of grievances as hereinafter provided is limited by the job duties and responsibilities of the EMPLOYEES and shall therefore be accomplished during normal working hours only when consistent with such EMPLOYEE duties and responsibilities.

The aggrieved EMPLOYEE and the UNION REPRESENTATIVE shall be allowed a reasonable amount of time without loss in pay when a grievance is investigated and presented to the EMPLOYER during normal working hours provided the EMPLOYEE and the UNION REPRESENTATIVE have notified and received the approval of the designated supervisor who has determined that such absence is reasonable and would not be detrimental to the work programs of the EMPLOYER.

**6.4 PROCEDURE**

Grievances, as defined by section 6.1, shall be resolved in conformance with the following procedure:

Step 1. An EMPLOYEE claiming a violation concerning the interpretation or application of this AGREEMENT, shall within twenty-one (21) calendar days after such alleged violation has occurred, present such grievance to the EMPLOYEE'S supervisor as designated by the EMPLOYER. The EMPLOYER designated representative will discuss and give an answer to such. Step 1 within ten (10) calendar days after receipt. A grievance not resolved in Step 1 and appealed to Step 2 shall be placed in writing setting forth the nature of the grievance, the facts on which it is based, the provision or provisions of the AGREEMENT allegedly violated, and the remedy requested and shall be appealed to Step 2 within ten (10) calendar days after the EMPLOYER designated representative's final answer in Step 1. Any grievance not appealed in writing to Step 2 by the UNION within fourteen (14) calendar days shall be considered waived.

Step 2. If appealed , the written grievance made and signed by the employee, shall be presented by the UNION and discussed with the EMPLOYER designated representative shall give the UNION the EMPLOYER’S Step 2 answer in writing within ten (10) calendar days after receipt of such Step 2 grievance. A grievance not resolved in Step 2 may be appealed to Step 3 within ten (10) calendar days following the EMPLOYER designated representative’s final Step 2 answer. Any grievance not appealed in writing to Step 3 by the UNION within ten (10) calendar days shall be considered waived.

Step 3. If appealed, the written grievance shall be presented by the UNION and discussed with the EMPLOYER designated Step 3 representative/ The EMPLOYER designated representative shall give the UNION the EMPLOYER’S answer in writing within ten (10)calendar days after receipt of such Step 3 grievance. A grievance not resolved by Step 3 may be appealed to Step 4 within ten (10) calendar days following the EMPLOYER designated representative’s final answer in Step 3. Any grievance not appealed in writing to Step 4 by the UNION within ten (10) calendar days shall be considered waived.

Step 4. A grievance unresolved in Step 3 and appealed in Step 4 shall be submitted to arbitration subject to the provisions of the Public Employment Labor Relations Act of 1971. The selection of an arbitrator shall be made in accordance with the “Rules Governing the Arbitration Grievances” as established by the Bureau of Mediation Services.

## **6.5 ARBITRATOR’S AUTHORITY**

- a) The arbitrator shall have no right to amend, modify, nullify, ignore, add to, or subtract from the terms and conditions of this AGREEMENT. The arbitrator shall consider and decide only the specific issue(s) submitted in writing by the EMPLOYER and the UNION, and shall have no authority to make a decision on any other issue not so submitted.
- b) The arbitrator shall be without power to make decisions contrary to, or inconsistent with, or modifying or varying in any way the application of laws, rules, or regulations having the force and effect of law. The arbitrator’s decision shall be submitted in writing within (30) days following close of the hearing or the submission of briefs by parties, whichever be later, unless the parties agree to an extension. The decision shall be binding on both the EMPLOYER and the UNION and shall be based solely on the arbitrator’s interpretation or application of the express terms of this AGREEMENT and to the facts of the grievance presented.
- c) The fees and expenses for the arbitrator’s services and proceedings shall be borne equally by the EMPLOYER and the UNION provided that each party shall be responsible for compensating its own representatives and witnesses. If either party desires a verbatim record of the proceedings, it may cause such record to be made, providing it pays for the record. If both parties desire a verbatim record of the proceedings, the cost shall be shared equally.

- 6.6** **WAIVER.** If a grievance is not presented within the time limits set forth above, it shall be considered “waived”. If a grievance is not appealed to the next step within the specified time limit or any agreed extension thereof, it shall be considered settled on the basis of the EMPLOYER’S last answer. If the EMPLOYER does not answer a grievance or an appeal thereof within the specified time limits, the UNION may elect to treat the grievance as denied at that step and immediately appeal the grievance to the next step. The time limit in each step may be extended by mutual agreement of the EMPLOYER and the UNION.
- 6.7** **CHOICE OF REMEDY.** If, as a result of the written EMPLOYER response in step 3, the grievance remains unresolved, and if the grievance involves the suspension, demotion, or discharge of an employee who has completed the required probationary period, the grievance may be appealed either to Step 4 of ARTICLE VI or a procedure such as: Veteran’s Preference, or Fair Employment. If appealed to any procedure other than Step 4 of ARTICLE VI the grievance is not subject to the arbitration procedure as provided in Step 4 of ARTICLE VI. The aggrieved employee shall indicate in writing which procedure is to be utilized Step 4 of ARTICLE VI, or another appeal procedure and shall sign a statement to the effect that the choice of any other hearing precludes the aggrieved employee from making a subsequent appeal through Step 4 of ARTICLE VI.

## **ARTICLE VII** **DEFINITIONS**

- 7.1** **BASE PAY RATE:** The employee’s hourly pay rate exclusive of longevity or any other special allowances.
- 7.2** **CALL BACK:** Return of an employee to a specified work site to perform assigned duties at the express authorization of the EMPLOYER at a time other than an assigned shift. An extension of or early report to an assigned shift is not a call back.
- 7.3** **COMPENSATORY TIME:** Time off the employee’s regularly scheduled work schedule equal in time to overtime worked.
- 7.4** **EMPLOYEE:** A member of the exclusively recognized bargaining unit.
- 7.5** **EMPLOYER:** The individual municipality designated by this AGREEMENT.
- 7.6** **OVERTIME:** Work performed at the express authorization of the EMPLOYER in excess of either eight (8) hours within a twenty-four (24) hour period, 12:01a.m. to midnight (except for shift changes) or more than forty (40) hours within a seven (7) day period (12:01a.m. Monday morning to midnight on Sunday following). **SENIORITY:** Length of continuous service with the EMPLOYER.
- 7.7** **SENIORITY:** Length of continuous service with the EMPLOYER.

- 7.8** SEVERNACE PAY: Payment made to an employee upon honorable termination of employment.
- 7.9** STRIKE: Concerted action in failing to report for duty, the willful absence from one's position, the stoppage of work, slowdown, or abstinence in whole or in part from the full, faithful and proper performance of the duties of employment for the purposes of inducing, influencing or coercing a change in the conditions or compensation or the rights, privileges or obligations of employment.
- 7.10** UNION: The International Union of Operating Engineers, Local No. 49, AFL-CIO.
- 7.11** UNION MEMBER: A member of the International Union of Operating Engineers, Local 49.

## **ARTICLE VIII** **SAVINGS CLAUSE**

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

## **ARTICLE IX** **WORK SCHEDULES**

- 9.1** The sole authority in work schedules is the EMPLOYER. The normal work day for an employee shall be eight (8) hours. The normal week shall be forty (40) hours.
- 9.2** Service to the public may require the establishment of regular shifts for some employees on a daily, weekly, seasonal or annual basis other than the employees normal work day or work week. The employer will give 72 hours advance notice to the employees affected by the establishment of schedules other than the normal work day or work week.
- 9.3** In the event that work is required because of unusual circumstances such as (but not limited to) fire, flood, snow, sleet, or breakdown of municipal equipment or facilities, no advance notice need be given. It is not required that an employee working other than the normal work day be scheduled to work more than eight (8) hours; however, each employee has an obligation to work overtime or call backs if requested unless unusual circumstances prevent him from so working.
- 9.4** Service to the public may require the establishment of regular work weeks that schedule work on Saturdays and /or Sundays.



## ARTICLE X **OVERTIME PAY**

- 10.1** Overtime as defined in Section 7.9 definition will be compensated for at one and one half (1 ½) times the employee's regular base pay rate.
- 10.2** Overtime will be distributed as equally as practicable.
- 10.3** Overtime refused by employees will for record purposes, under ARTICLE 10.2 be considered as unpaid overtime worked.
- 10.4** For the purpose of computing overtime compensation, overtime hours worked shall not be pyramided, compounded, or paid twice for the same hours worked.
- 10.5** **Compensatory Time:** Employees may at their discretion choose compensatory time in lieu of overtime payments within the following guidelines:
- a) Compensatory time is paid off at a rate of one and one-half hours off per overtime hour worked
  - b) The maximum compensatory time accumulation for any employee is 80 hours. No further compensatory time may accrue until the employees balance drops below 80 hours.
  - c) Use of compensatory time shall be in the same manner as all other leaves.
  - d) All compensatory time will be marked as such on official time sheets, both when it is earned and when it is used and the Administration Department will maintain all records of compensatory time.
  - e) All compensatory time accrued will be paid when an employee leaves the city employment at the hourly pay rate the employee is earning at that time.

## ARTICLE XI **CALL BACK/STAND-BY DUTY/WEEKEND DUTY**

- 11.1** **Call Back:** An EMPLOYEE called in for work at a time other than the EMPLOYEE'S normal scheduled shift will be compensated for a minimum of two (2) hours' pay at one and one-half (1½) times the EMPLOYEE'S base pay rate.
- 11.2** **Stand-by Duty:** The EMPLOYEE responsible for call out during this period would be the employee scheduled on the stand-by duty roster. Compensation for Stand-by Duty shall be **one (1) hour per week day at 1 ½ times base pay rate and two (2) hours per weekend day at 1 ½ time the employee's base pay rate.** ~~an additional seven hours of overtime wages per week.~~ During weeks that include a contractually identified Holiday, Employees responsible for call out will be compensated an additional two (2) hours of pay for each Holiday included in the week.
- 11.3** ~~In addition to Stand-by duty compensation, employees shall earn eight (8) hours compensatory time when they are placed on Stand- by on Thanksgiving Day, Christmas Day and New Year's Day.~~

- 11.4 Weekend Duty.** The EMPLOYEE on Stand-by will also be responsible for Weekend Duty. Weekend Duty shall consist of performing routine work such as, but not limited to, pumping sludge at the wastewater treatment plant, checking of wells, pumps at the swimming pool and lift stations. Employees shall be compensated for hours worked while performing Weekend Duty on weekends and holidays at one and one-half (1½) times the EMPLOYEE'S normal rate of pay. Under normal circumstances and conditions, weekend duty shall require approximately 1.5 hours of work per day on weekends and holidays. However, this is not a minimum requirement or limit to the hours of work but rather a benchmark. Additionally, an EMPLOYEE who has completed the assigned weekend duty and is called back to the City for additional work shall be compensated in the amount specified for call back duty within this Article.

## **ARTICLE XII** **LEGAL DEFENSE**

- 12.1** Employees involved in litigation because of negligence, ignorance of laws, non-observance of law, or as a result on employee judgmental decision may not receive legal defense by the municipality.
- 12.2** An employee who is charged with a traffic violation, ordinance violation or criminal offense arising from acts performed within the scope of his employment, when such act is performed in good faith and under direct order of his supervisor, shall be reimbursed for reasonable attorney's fees and court costs actually incurred by such employee in defending against such charge.

## **ARTICLE XIII** **RIGHT TO SUBCONTRACT**

Nothing in this AGREEMENT shall prohibit or restrict the right of the EMPLOYEE from subcontracting work performed by employees covered by this AGREEMENT.

## **ARTICLE XIV** **DISCIPLINE**

- 14.1** The EMPLOYER will discipline employees only for just cause.
- 14.2** Oral reprimands are normally given for first infractions on minor offenses to clarify expectations and put the employee on notice that the performance or behavior needs to change, and what the change must be. The supervisor will document the oral reprimand including date(s) and a summary of discussion and corrective action needed.

**ARTICLE XV**  
**SENIORITY**

In the event of lay off due to lack of work, permanent employees with the least seniority shall be the first to be laid off, and in the event of rehire, the last employee laid off shall be the first to be rehired; however, any employee retained in event of lay off must be qualified to perform the work available. Employees laid off due to lack of work shall be given a two week advance notice of such lay off.

**ARTICLE XVI**  
**PROBATIONARY PERIODS**

- 16.1** All newly hired or rehired employees will serve a one (1) year probationary period.
- 16.2** All employees will serve a six (6) month's probationary period in any job classification in which the employee has not served a probationary period. Employees that have not completed their probationary period as identified in 16.1 shall serve a one (1) year probation in any new job classification.
- 16.3** At any time during the probationary period, a newly hired or rehired employee may be terminated at the sole discretion of the EMPLOYER.
- 16.4** At any time during the probationary period a promoted or reassigned employee may be demoted or reassigned to the employee's previous position at the sole discretion of the EMPLOYER.

**ARTICLE XVII**  
**SAFETY**

- 17.1** The EMPLOYER and the UNION agree to jointly promote safe and healthful working conditions, to cooperate in safety matters and to encourage employees to work in a safe manner.
- 17.2** The City shall provide coveralls for all those employees whose jobs, as determined by management, is of such nature as to require protection of the employee's clothing. The EMPLOYER shall be responsible for laundering the coveralls. The City will reimburse up to \$150 during the contract period for the cost of one pair of prescription safety glasses, and reimburse for the actual cost of up to two lens replacements, for those employees that required to wear prescription eyeglasses. The supervisor's approval shall be secured in advance of ordering replacement lenses. Reimbursement shall be made within 14 days of submitting receipts for such purchase of safety glasses or lenses.

## **ARTICLE XVIII** **JOB POSTING**

- 18.1** The EMPLOYER and the UNION agree that permanent job vacancies within the designated bargaining unit shall be filled based on the concept of promotion from within provided that applicants:
- a) Have the necessary qualifications to meet the standards of the job vacancy; and
  - b) Have the ability to perform the duties and responsibilities of the job vacancy.
- 18.2** Employees filling a higher job class based on the provisions of this ARTICLE shall be subject to the conditions of ARTICLE XVI (PROBATIONARY PERIODS).
- 18.3** The EMPLOYER has the right of final decision in the selection of employees to fill posted jobs based on qualifications, abilities and experience.
- 18.4** Job vacancies within the designated bargaining unit will be posted for five (5) working days, so that members of the bargaining unit can be considered for such vacancies.

## **ARTICLE XIX** **HOLIDAYS**

- 19.1** The EMPLOYER will provide ten (10) paid, designated holidays and one paid floating holiday.
- 19.2** All employees, except seasonal employees, shall be granted ten (10) paid holidays. The specific holidays are: New Year's Day, Dr. Martin Luther King's Birthday, President's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, the day after Thanksgiving and Christmas Day. All hours worked on a holiday shall be paid at one and one-half (1 ½) times the regular rate of pay **with the exception of Thanksgiving Day, Christmas Day and New Year's Day which will be compensated at two (2) times the regular rate of pay.**
- 19.3** Holiday pay shall be determined as follows: The employee's total hours worked for the last four weeks shall be divided by 160 hours. The percentage obtained, which may not be more than 100 % shall be multiplied by 8 hours to determine the amount of holiday pay granted for the holiday.

Example: Hours worked in the last 4 weeks=80  
80/160=50%  
8 x 50%= 4 hours pay for holiday

Holiday hours arrived at in this calculation shall be counted as hours worked for purposes on computing overtime pay.

- 19.4 If an employee is required to work on a listed holiday, he/she shall be paid one and one-half times their regular rate of pay for hours worked on such holiday, and in addition may take an alternate day off in lieu of the holiday. Such alternate day off must be taken within 60 days of the holiday and shall be approved in advance by the department head.
- 19.5 In addition to the ten designated holidays, the EMPLOYER will grant one paid floating holiday. Such floating holiday shall be taken off at the mutual agreement of the employee and department supervisor.
- 19.6 A second floating holiday as a longevity award upon the employee's length of service during the following years of service:

Upon 10 years of service and at five (5) year intervals thereafter one additional floating holiday will be awarded for that year only.

**ARTICLE XX**  
**VACATION**

- 20.1 Each employee who has completed six months of service shall be entitled to vacation leave, as hereinafter provided.
- 20.2 Employees who temporarily work more than thirty (30) hours per week as a result of a full-time employee being on an approved Leave of Absence, shall not be considered full-time employees for the purpose of vacation, sick leave, holidays and insurance until said Leave of Absence has exceeded ninety (90) days.
- 20.3 Vacation Leave Accrual: Each permanent full-time city employee shall earn paid vacation leave starting from and after an initial six month period, based on the following schedule of continual service:

From one to five years	80 hours per year
From six to ten years	120 hours per year
From eleven to fifteen years	160 hours per year
From sixteen to twenty years	200 hours per year
After twenty years	240 hours per year

<b><u>Years of Service</u></b>	<b><u>Annual Accrual</u></b>
0-4 years	80 hours
5-9 years	120 hours
10-14 years	160 hours
15-19 years	200 hours
20 + years	240 hours

- 20.4** When taken: Vacation leave may be used as earned provided that the City department head shall approve the time at which the vacation leave may be taken. Vacation leave used shall be counted as hours worked for the purpose of computing overtime pay.
- 20.5** Accrual: Employees may accrue vacation leave to a maximum of 320 working hours. In the event that an employee has accumulated a total of 320 working hours of vacation, he may absent himself or herself from work, with notice to take vacation leave and thus prevent loss of vacation leave beyond 320 hours.
- 20.6** Terminal Leave: Any employee leaving the municipal service in good standing after giving notice of such termination of employment, shall be compensated for vacation leave accrued and unused to the date of separation.

## **ARTICLE XXI** **SICK LEAVE**

- 21.1** All regular full-time employees with one (1) year or more of regular service shall be entitled to sick leave benefits hereinafter provided. All unused sick leave, upon termination, will be given as termination based on the following schedule:

- up to nine years 25%
- 10 to 19 years 35%
- After 20 years 50%

To receive terminal leave benefits, an employee must leave in good standing as provided by City Code, Chapter 2, Section 2.63, Subdivision 15.

- 21.2** Eligibility: Sick leave with pay shall be granted to all probationary and permanent employees at the rate of 8 working hours of pay for each 173 hours worked, to a maximum of 960 hours per year. Not more than 80 hours per two week period shall be counted towards sick leave accrual.
- 21.3** Accrual: Sick leave may be granted only for absence from duty because of the personal illness of the employee. Sick leave may be accumulated to a total of not more than 800 hours. Worker's compensation benefits shall be credited against the compensation due an employee during sick leave.
- 21.4** Proof Required: In order to be eligible for sick leave with pay, an employee must:
- a) Report promptly in accordance with EMPLOYER policy, the reason for the absence.
  - b) Keep the EMPLOYER informed of his/her condition and provide medical certificate when required by the EMPLOYER.
  - c) Provide written documentation as otherwise required by the EMPLOYER to establish eligibility for paid leave.

- 21.5** Penalty: Claiming sick leave when physically fit except as permitted in this Section may be cause for disciplinary action, including transfer, demotion, suspension, or dismissal.
- 21.6** Sick leave and vacation leave shall be charged off, based on the number of working hours missed up to a maximum of: 40 hours per week; 80 hours per two weeks; or 8 hours per day. Sick leave used shall be counted as hours worked for the purpose of computing overtime pay.
- 21.7** Credit: Worker’s Compensation Benefits shall be credited against the compensation due an employee during sick leave. In addition, following the expiration of the 15<sup>th</sup> consecutive lost work day to any qualifying sickness, any sickness or disability insurance benefits of whatever nature or source payable to an employee shall be credited against the compensation due said employee from the City, it being the explicit intention herein that following said initial 15 day period no employee receive total sick leave benefits from all sources of more than said employee’s base gross wages earned while working and not sick. Provided however, that should any employee have sick leave related medical expense not paid for by applicable insurance, the City shall not effect such sickness and disability insurance benefits creditation, unless and until employee has received such total payments from all sources, so as to equal the combined sum of base gross wages and sick leave related medical expenses not paid for by applicable insurance.

Crediting private insurance against sick leave shall be as follows: Sick leave shall be charged off and paid at a rate that reflects the percentage the City is paying towards his total sick leave related income. Example:

Employee’s regular weekly wages-----\$200 (\$5.00 per hour)  
 Private disability insurance-----\$100  
 City pays in this case-----\$100  
 (The difference between his regular weekly pay and his private disability insurance payment \$100 divided by employee’s hourly wage equals 20 hours of sick leave taken).

**ARTICLE XXII**  
**EMERGENCY LEAVE**

- 22.1** Eligibility: Emergency leave with pay shall be granted to all probationary and permanent employees to a maximum of 40 hours per year.
- 22.2** Accrual: Emergency leave may be granted only for absence from duty because of the illness or death in the immediate family, namely, husband, wife, son, daughter, father, mother, father-in-law, mother-in-law, sister or brother. Emergency leave shall be deducted from an employee’s accrued sick leave and shall be limited to 40 hours per calendar year.
- 22.3** Proof Required: In order to be eligible for emergency leave with pay, an employee must:

- a) Report promptly to his department head the reason for his absence.
- b) Submit verification of the reason for his absence if required by the City Administrator.

**22.4** Penalty: Claiming emergency leave when not permitted in this subsection may be cause for disciplinary action, including transfer, demotion, suspension, or dismissal.

**22.5** Any employee who has worked half-time or more for more than twelve (12) consecutive months, may take unpaid leave for up to a total of sixteen (16) hours during any school year to attend school conferences or classroom activities related to the employee's child (under 18 or under 20 and still attending secondary school), provided the conference or classroom activities cannot be scheduled during non-work hours. Vacation or Compensatory Time can be used if available.

### **ARTICLE XXIII** **MEAL PERIOD AND BREAKS**

**23.1** All employees who work more than a four (4) hour shift shall be granted a meal period of not less than one-half (1/2) hour nor more than one (1) hour. This meal period shall be without pay.

**23.2** All employees will be granted a fifteen (15) minute break during the first four hours of their work day. An additional fifteen (15) minute break shall be allowed during the last half of their work day if the employee is working at least a seven (7) hour shift. Their breaks shall be with pay.

### **ARTICLE XXIV** **HEALTH-LIFE-DISABILITY INSURANCE**

**24.1** The EMPLOYER shall provide a group insurance program available to all full-time employees covered by this AGREEMENT. Such insurance shall include family health insurance, \$20,000 employee term life insurance, and disability insurance paying \$50 per week for 13 weeks.

**24.2** HEALTH INSURANCE. The EMPLOYER shall provide group health insurance available to all full-time employees. The EMPLOYER shall provide the employee with health insurance at no cost. The employee may elect additional coverage for family members. The EMPLOYER shall pay 50 % of the actual cost for elected employee family members not to exceed \$725/month.

**24.3** HEALTH SAVINGS ACCOUNT. If the employee elects a high deductible health plan offered by the EMPLOYER, then the EMPLOYER shall provide a matching contribution to the employee's Health Savings Account (HSA) at the following rate:



Single Coverage-up to \$25 per month  
Family Coverage-up to \$50 per month

The EMPLOYER shall also pay the monthly maintenance fee for the employee's HSA, while the employee is employed by the EMPLOYER.

- 24.4 The EMPLOYER shall create an insurance advisory committee to review employee benefit changes and renewal proposals. The City will give committee members reasonable advance notice of any cost increase before they are implemented through payroll withholding. This unit shall be allowed one representative on the committee. This committee shall be advisory only and shall have no authority to change any employee benefit. This authority remains with the City Council.

## **ARTICLE XXV** **UNIFORMS**

- 25.1 The EMPLOYER will pay for the cost of uniforms.

- **Effective January 1, 2015** employees shall be allowed up to **\$530.00** for the purchase of work clothing and work boots ~~per year of the contract.~~
- **Effective January 1, 2016** employees shall be allowed up to **\$560.00** for the purchase of work clothing and work boots.
- **Effective January 1, 2017** employees shall be allowed up to **\$590.00** for the purchase of work clothing and work boots.

With advanced supervisor approval employees may use a City charge account for purchases up to ~~\$590.00~~ **the yearly uniform allowance** ~~or~~ employees may choose to incur the initial cost by purchasing items themselves and then submit receipts for reimbursement. Receipts proving purchases shall be turned in to City Hall before December 31, of each year. Reimbursement of the actual expense paid, **up to the yearly maximum allowance** ~~\$500~~ shall be reimbursed within 14 days.

## **ARTICLE XXVI** **OTHER EMPLOYEE BENEFITS AND PENSION PLAN**

- 26.1 The employer shall establish a Section 125 Flexible Compensation Plan (Cafeteria Plan) and an employee deferred compensation plan for the optional use by the employees of this unit.
- 26.2 The employees of this unit shall be included in the City's Health Care Savings Plan established by City Resolution Number 1471, attached as exhibit A to this Agreement.
- 26.3 The CPF is a supplemental Pension Fund authorized by Minnesota Statutes, §356.24, subdivision 1(9).

- a) Effective January 1, 2013 the Employer pension contribution will be \$0.45 per hour. Effective January 1, 2014 the hourly contribution rate shall be \$0.55. The hourly contribution rate will be applied to every hour compensated (i.e. hours worked, vacation, holiday and sick time) including overtime hours worked. The Employer shall pay this contribution directly to the I.U.O.E Central Pension Fund at 4115 Chesapeake Street NW, Washington DC 20016. The per hour pension contribution is in addition to the identified compensation in exhibit B.
- b) A contribution of less than \$2.40 per hour prevents any employee’s annual CPF contributions from exceeding \$5.000 in a year and therefore complies with limitations set forth under Minnesota Statute §356.24, subd. 1(9 as amended. Furthermore, the parties agree that the Public Employees Retirement Association interprets employer contribution to the CPF as fringe benefits that are included in determining “salary” for the purposes of the public pension. Unless changes are made to the state law or agency’s interpretation thereof, the parties accept this interpretation and application.
- c) This description serves to detail the terms and conditions of the pension contribution and express the parties’ understanding thereof. The CPF Plan of Benefits and the Agreement and Declaration of Trust will serve as the governing documents.

**ARTICLE XXVII**  
**SPECIAL COMPENSATION FOR LICENSES**

The EMPLOYER shall pay additional compensation to each employee holding and maintaining a State of Minnesota license for water and wastewater as follows:

For Class B Wastewater License for one person designated by the employer as primary operator earned and paid monthly shall be ~~-\$5000/yr.~~**\$6000/yr. effective 1/1/15; \$7200/yr. effective 1/1/16 and \$8600/yr effective 1-1-2017.**

For Type IV Biosolids License	\$100/mo.
For Class C Wastewater License	\$50/mo.
For Class C Water License	\$50/mo.
For Class D Wastewater License	\$25/mo.
For Class D Water License	\$25/mo.

For the extra cost of Commercial Driver License for renewal-not to exceed \$25

For Pool Operator License if required by the Minnesota Department of Health, the City shall pay \$25 per month for the months of May-September.

**Up to two employees will be eligible for Herbicide License compensation. The City shall pay \$25 per month for the months of May-September.**

**ARTICLE XXVIII**  
**WAGES**

- 28.1** WAGES. Employer and UNION mutually agree that the pay rates for full-time employees of this bargaining unit shall be Grades 7 & 8, of the City of Cannon Falls pay system except that the Streets & Parks Supervisor and Utility Supervisor shall be in Grade 10 of such pay system, a copy of which is attached hereto as Exhibit B.

**General Maintenance Worker I:** Pay grade 7

**General Maintenance Worker II:** Pay grade 8  
(Requires minimum of class D water license and class D sewer license)

Primary Operator Water/Wastewater Systems: Pay Grade 8

**Streets and Parks Supervisor:** Pay grade 10

**Utility Supervisor:** Pay grade 10

- 28.2** ADVANCING STEPS. Movement to higher step in the pay grade shall occur only on January 1, of each year. Regular full-time employees beginning employment prior to August 15 shall advance to the next step on the following January 1. Regular full-time employees beginning August 15 or after shall advance to the next step on the second January 1, following employment.

**ARTICLE XXIX**  
**WAIVER**

- 29.1** Any and all prior agreements, resolutions, practices, policies rules and regulations regarding terms and conditions of employment, to the extent inconsistent with the provisions of this AGREEMENT, are hereby superseded.
- 29.2** The parties mutually acknowledge that during the negotiations which resulted in this AGREEMENT, each had the unlimited right and opportunity to make demands and proposals with respect to any term or condition of employment not removed by law from bargaining. All agreements and understandings arrived at by the parties are set forth in writing in this AGREEMENT for the stipulated duration of this AGREEMENT. The EMPLOYER and the UNION each voluntarily and unqualifiedly waives the right to meet and negotiate regarding any and all terms and conditions of employment referred to or covered in this AGREEMENT or with respect to any term or condition of employment not specifically referred to or covered by this AGREEMENT, even though such terms or conditions may not have been within the knowledge or contemplation of either or both parties at the time this contract was negotiated or executed.

**ARTICLE XXX**  
**DURATION**

This AGREEMENT shall be effective as of **January 1, 2015** and shall remain in full force and effect until **December 31, 2017** and the parties hereto agree to begin meeting not less than 180 days prior to the expiration of this agreement to negotiate for a subsequent contract period.

In witness thereof, the parties hereto have executed this AGREEMENT on this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

FOR THE CITY OF CANNON FALLS:

FOR I.U.O.E, LOCAL No.49:

\_\_\_\_\_  
Lyman M. Robinson, Mayor

\_\_\_\_\_  
Glen D. Johnson, Business Manager

\_\_\_\_\_  
Ronald S. Johnson, City Administrator

\_\_\_\_\_  
Cory Bergerson, Area Representative

**City of Cannon Falls and I.U.O.E., Local 49**  
**Memorandum of Understanding**

**Sick Leave Donation Policy**

1. With the express written consent of the City Administrator, employees having accrued sick leave, vacation leave and/or compensatory leave will be allowed to donate a portion of such accrued leave to fellow employees experiencing a major life threatening illness suffered by the employee, the employee's spouse, or the employee's children. A major life threatening illness shall include, but not necessarily be limited to: heart attack, stroke, organ transplant, or other life threatening illness as defined by a physician's diagnosis. The major life threatening illness must be supported by a physician's statement to be eligible for consideration.
2. An employee is only eligible to receive donated sick leave, vacation leave and/or compensatory leave for normal work hours lost due to a life threatening illness as defined above.
3. An employee will be eligible to receive donated sick leave, vacation leave and/or compensatory leave only after the employee's own accrued sick leave, compensatory leave, vacation leave and any other accrued leave have been exhausted.
4. A full-time employee will be allowed to receive up to 20 days (160 hours) of donated sick leave, vacation leave and/or compensatory leave for any single major life threatening illness. A part-time employee will be allowed to receive up to 10 days (80 hours) of donated sick leave, vacation leave and/or compensatory leave for any single major life threatening illness.
5. An employee may only use donated sick leave, vacation leave and/or compensatory leave up to the time of eligibility for the long-term disability benefit (if applicable), or for the maximum number of days allowed to be donated, whichever occurs first.
6. A full-time employee may donate no more than 16 hours of sick leave, vacation leave and/or compensatory leave to each requesting employee per calendar year. A part-time employee may donate no more than 8 hours to each requesting employee per calendar year.
7. Donations must be on an hour-for-hour basis. For every one (1) hour of sick leave, vacation leave and/or compensatory leave donated by the donor, the recipient will be credited with one (1) hour of sick leave. The pay levels of the two employees shall not affect the transaction.
8. Donation of accrued sick leave and/or vacation leave must be in whole hours, with a minimum of two hours per employee surrendering leave hours.
9. A written request using the appropriate form available through the Payroll Department to donate sick leave, vacation leave and/or compensatory leave must be submitted to the

Department Director of the employee who is being considered for receiving the donated leave. The Department Director shall review and submit to the City Administrator for final consideration. Employees shall not independently solicit donations. Donations shall remain anonymous.

10. Donation of leave will not be allowed once an employee is judged to be disabled by the major medical condition and will not be returning to work. Employees receiving Worker's Compensation benefits from a City related injury or illness are not eligible to receive donations.
11. No provisions of this policy, or its administration, shall be subject to review under the grievance or arbitration provisions of any collective bargaining agreement.
12. The City Administrator has the right to deny and/or limit donation requests as deemed necessary and in the best interest of the City of Cannon Falls.
13. The donated sick leave, vacation leave and/or compensatory leave will be subtracted from the donor's regular accumulated sick leave, vacation leave and/or compensatory leave balance and a credit reflecting the donated hours will be provided to the requesting employee's sick leave.
14. Donated leave cannot be used for any severance pay, or paid out to an employee in the form of cash or used in any other manner other than what is stated in this policy.
15. This policy shall become effective retroactive to August 1, 2006.

**For the City of Cannon Falls:**

**For IUOE, Local 49:**

\_\_\_\_\_  
Ron Johnson, City Administrator

\_\_\_\_\_  
Cory Bergerson, Business Agent

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**City of Cannon Falls and I.U.O.E., Local 49  
Memorandum of Understanding**

**2015-2017 Considerations**

1. Effective January 1, 2015, all employees covered under this Agreement shall receive a 2% wage increase.
2. Effective July 1, 2015, all employees covered under this Agreement shall receive an additional ½ % wage increase.
3. Additionally, the Employer and the Union agree to meet and confer for the annual wage increases by January 1<sup>st</sup> 2016 and January 1<sup>st</sup>, 2017.
4. Wage adjustment for employees including the above increases are as follows:
  - Wes Anway-Receives a step increase to Pay Grade 10, Step 6, effective 1/1/15 \$25.02; effective 7/1/15 \$25.15.
  - Joey Gillen-Receives a step increase to Pay Grade 8, Step 7, effective 1/1/15 \$22.13; effective 7/1/15 \$22.24.
  - Tony Haan-Does not receive a step increase because he started after 8/15/14 but receives 2% COLA increase effective 1/1/15 \$19.25; effective 7/1/15 \$19.35.
  - Ted Hartgers-Receives a 2% COLA increase effective 1/1/15 \$23.04; effective 7/1/15 \$23.16
  - Josh Otto-Receives a step increase to Pay Grade 10, Step 4, effective 1/1/15 \$23.47; effective 7/1/15 \$23.59.
  - Dave Pagel-Receives a 2% COLA increase effective 1/1/15 \$26.86; effective 7/1/15 \$27.00.
  - Chuck Peterson-Receives a 2% COLA increase effective 1/1/15 \$22.27; effective 7/1/15 \$22.39.

This Memorandum of Understanding shall expire on **December 31, 2017**.

**For the City of Cannon Falls:**

**For IUOE, Local 49:**

\_\_\_\_\_  
Ron Johnson, City Administrator

\_\_\_\_\_  
Cory Bergerson, Business Agent

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**MEMORANDUM OF UNDERSTANDING**  
**Part-Time Seasonal Employee**

This Memorandum of Understanding is entered into between the City of Cannon Falls (hereafter "City") and the International Union of Operating Engineers, Local No. 49 (hereafter "Union").

~~WHEREAS~~, the City and the Union are parties to a collective bargaining agreement (hereafter "CBA") that recognizes IUOE Local 49 as the exclusive representative for all Employees of the Public Works Department of the City whose employment service exceeds the lesser of the 14 hours per week or 35 percent of the normal work week and 67 days per year and;

~~WHEREAS~~, the City has met and conferred with the Union concerning the employment of Mr. Chuck Wiedholm and;

~~WHEREAS~~, Mr. Wiedholm's skills are valuable assets to the Public Works Department and exceed those of a typical summer seasonal employee.

~~NOW, THEREFORE~~, Mr. Wiedholm shall be laid off before any full time Public Works bargaining unit employees.

~~NOW, THEREFORE~~, Mr. Wiedholm shall not exceed 20 hours per week effective January 1, 2013 through March 31, 2013 unless in conjunction with emergency snow operations.

~~NOW, THEREFORE~~, Mr. Wiedholm shall not exceed 32 hours per week April 1, 2013 through November 15, 2013.

~~NOW, THEREFORE~~, Mr. Wiedholm shall not exceed 20 hours per week November 16, 2013 through December 31, 2013 unless in conjunction with emergency snow operations.

~~IT IS FURTHER UNDERSTOOD~~, that this memorandum of understanding is based upon the unique circumstances of the present case and shall not constitute a precedent with respect to any other claim, grievance or dispute arising between the City and the Union or any member of the bargaining unit.

This Memorandum of Understanding may be renewed by mutual agreement for calendar year 2014 but is no longer in effect after December 31, 2014 or the termination of Mr. Wiedholm's employment with the City of Cannon Falls, whichever occurs first.

~~In Witness whereof the parties have caused this Memorandum of Agreement to be executed this~~  
~~\_\_\_\_\_ day of \_\_\_\_\_, 2012.~~

~~For the City of Cannon Falls: \_\_\_\_\_ For the I.U.O.E., Local No. 49:~~

\_\_\_\_\_  
Aaron Reeves, City Administrator

\_\_\_\_\_  
Kent Korman, Business Agent



**EXHIBIT A  
CITY OF CANNON FALLS  
GOODHUE COUNTY, MINNESOTA**

**RESOLUTION NUMBER 2131**

**A RESOLUTION PROVIDING FOR POST-EMPLOYMENT HEALTH CARE SAVINGS  
PLAN (HCSP)**

**WHEREAS**, the City Council of the City of Cannon Falls finds it desirable and beneficial to the City and to its employees to establish a Post-Employment Health Plan also known as a Health Care Savings Plan;

**NOW THEREFORE BE IT RESOLVED BY THE CITY OF CANNON FALLS THAT** there is hereby established an employee benefit program for covered members of the International Union of Operating Engineers, Local No. 49, known as Health Care Savings Plan (HCSP) with an implementation date of January 1, 2015 (see below for effective date) for the duration of the January 1, 2015- December 31, 2017 labor agreement.

**FUNDING OF THE HCSP.** On the next January 2<sup>nd</sup>, after accumulation of a minimum of 384 hours of sick leave, 24 hours of sick leave less any hours used during the prior year for paid sick and emergency leave will be removed from the employee's sick leave balance, and that number of hours will be multiplied by the employees regular hourly rate to get an amount of cash that will be contributed to the employees HCSP account. Money would be contributed to the HCSP in the same manner after each subsequent year during which the sick-leave balance remains above 384 hours, (Note for hourly employees. Recognizing that hourly workers do not have flexibility to absent themselves from work without using sick leave for minor doctor visits and annual medical checkups, the deduction from HCSP eligible transfers for used sick leave shall be reduced by eight hours per year.)

On the next January 2<sup>nd</sup>, after accumulation of 720 hours of sick leave, 48 hours of sick leave less any hours used during the prior year for paid sick and emergency leave will be removed from the employee's sick leave balance, and that number of hours will be multiplied by the employees regular hourly rate to get an amount of cash that will be contributed to the employees HCSP account. Money would be contributed to the HCSP in the same manner after each subsequent year during which the sick-leave balance remains above 720 hours. (Note for hourly employees. Recognizing that hourly workers doctor visits and annual medical checkups, the deduction from HCSP eligible transfers for used sick leave shall be reduced by eight hours per year.)

Any unused sick leave balances eligible to be paid as terminal leave benefits at termination to the extent that the amount eligible to be paid equals 30 hours or more, will be paid only to the employee's Health Care Savings Plan not directly to an employee.

The maximum accumulation for sick leave is 960 hours. All employees when they have accrued 960 hours, 60 hours of sick time will be automatically transferred and converted into cash and deposited in their post-employment health care savings account.

All employees who have accrued 320 hours of vacation time, eighty (80) hours will be converted into cash and deposited in the Post Employment Healthcare Savings Account.

**ADDITIONAL FUNDING:** For all covered employees with a least ten years of work service, one half of unused vacation at the time of termination, eligible to be paid as terminal leave benefit, shall be paid at the employees current pay rate, into the employee's HCSP account. All Employees shall contribute \$25.00 per pay period.

The HCSP account may be used at termination of employment for medical insurance premiums and unreimbursed medical expenses as permitted by IRS regulations. The money would be available to the former employee, a spouse or a qualifying dependent.

### **Death of Employee**

#### ***Contributions not allowed after death of employee***

MSRS cannot accept an HCSP contribution after an employee's death unless the contribution is the result of payroll deductions. The HCSP contract language should indicate how or if money will be paid upon the death of an employee. If a contribution is remitted after an employee's death, please see [Contributions made in error](#).

#### ***Distribution of HCSP assets upon participant's death***

Upon the death of an HCSP participant, the remaining account balance is always transferred to an heir to use for reimbursement of eligible health care expenses. The transfer is as follows:

- If spouse, balance is transferred to spouse to use for tax-free reimbursements.
- If no spouse, then balance is transferred to surviving legal dependents to use for tax-free reimbursements.
- If no spouse or legal dependents, the funds are transferred to designated beneficiary. Reimbursements to a designated beneficiary are subject to state and federal income taxes.
- If no spouse, legal dependents or designated beneficiary, a representative of the estate will name a person eligible to receive the remaining account balance in the form of reimbursements. Reimbursements to this person are subject to state and federal income taxes.

**ADMINISTRATIVE FEES:** Administrative fees imposed upon employee accounts by the plan administrator, Minnesota State Retirement System, shall be deducted from each individual participant's account.

**EFFECTIVE DATE:** This program shall be effective January 1, 2015. Ongoing payroll deductions will begin when this resolution is signed. The annual sick leave conversion will begin January 1, 2016, or as soon thereafter as possible.

**DURATION:** The City Council reserves the right to terminate this program at any time, understanding that balances previously transferred to employee accounts shall remain the property of the employee to be used after termination of employment.

**AUTHORIZATION TO EXECUTE PLAN DOCUMENTS:** The Mayor and City Administrator are hereby authorized to execute and file any and all documents, subject to review by the City Attorney, necessary to implement the HCSP through Minnesota State Retirement System.

Adopted by the Council this 5th day of June, 2015.

CITY OF CANNON FALLS, MINNESOTA

---

By: Lyman M. Robinson, Mayor

Attest:

---

Ronald S. Johnson, City Administrator

**MEMORANDUM OF UNDERSTANDING**

Between  
Local No.49  
AND  
CITY OF CANNON FALLS

THE FOLLOWING AGREEMENT ADDRESSES STRAIGHT EIGHT HOUR SHIFT

Straight eight hour shifts may be implemented if agreed to by both parties. The parties will meet to reach an agreement on operational changes and schedule requirements prior to implementing a straight hour shift. If straight eight hour shifts are implemented, the following guidelines will apply:

- Prior to any crew being assigned to a straight eight hour work shift, they must receive authorization from the Public Works Director. The straight eight hour shift can be terminated by either party subject to a five day advance notice. If, after the trial period is complete and after evaluation by City Administration and determination that the straight eight hour shift in is the best interest of the City, the shift will stay in effect, subject to Article IX- Work Schedules.
- The two paid 15 minute breaks will be combined to one 30 minute break at the midpoint of the shift. The current 30 minute unpaid lunch break will be moved to the end of the shift.
- Crew members are expected to maximize the work day and to leave the work site at the end of the work day with only enough time to complete required end of day procedures, such as fueling, time sheets and clean-up.
- Extreme weather conditions may require that employees take additional rest and water breaks (high heat and humidity). Discuss this with your supervisor prior to taking additional breaks.

THIS MEMORANDUM OF UNDERSTANDING EXPIRES DECEMBER 31, 2017.

**FOR THE CITY OF CANNON FALLS:**

**FOR THE INTERNATIONAL UNION OF  
OPERATING ENGINEERS, LOCAL No. 49**

\_\_\_\_\_  
Ron Johnson, City Administrator

\_\_\_\_\_  
Cory Bergerson, Area Business Representative

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# MEMORANDUM OF UNDERSTANDING

Between  
City of Cannon Falls  
And  
International Union of Operating Engineers, Local 49

## Summer Hours

The purpose of this Memorandum of Understanding is to assist both Labor and Management in dealing with other than five (5) eight (8) hour work day schedules. In the event that the EMPLOYER changes the work schedule to a work week of other than five (5) eight (8) hour days, the following shall apply:

- A. During a four (4) ten (10) hour day, Monday through Friday. The duration shall be May 1<sup>st</sup> through October 1<sup>st</sup>.
- B. Employees shall be compensated for the contractual eight hours of pay on all holidays and will be required to use leave or compensatory time to complete a scheduled ten (10) hour holiday and forty (40) hour work week.
- C. Hours worked in excess of the regularly scheduled shift, or in excess of forty (40) within a seven (7) day period will be compensated for at one and one-half (1-1/2) times the employee's regular base pay. For purposes of this Section, hours worked shall include hours designated as personal, holiday, sick, vacation or compensatory time off.
- D. Any vacation, personal leave, or sick leave will be charged at the rate of ten (10) hours per day coinciding with the scheduled shift in place at that time.

The Employer or Union may terminate this Memorandum of Understanding for a participating Division with a seven (7) day notice to the Union Business Agent, City Administrator, Public Works Superintendent. Termination of this Memorandum of Understanding is not grievable.

This Memorandum of Understanding will expire December 31 2017.

\_\_\_\_\_  
Ron Johnson, City Administrator

\_\_\_\_\_  
Cory Bergerson, Business Agent

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**EXHIBIT B**  
**January 1, 2015**  
**Wage Scale**

**CITY OF CANNON FALLS PAY GRADE SYSTEM**

2015 PAY GRADE	2% Point Minimum	Jan-June Point Maximum	STEP	STEP	STEP	STEP	STEP	STEP	STEP	Range % Spread	Max Spread
			1	2	3	4	5	6	7		
HOURLY											
19	451	496	39.26	40.71	42.14	43.57	45.01	46.45	47.89		
18	351	450	36.69	38.05	39.38	40.72	42.06	43.41	44.75	22.00%	7.00%
17	340	350	34.29	35.56	36.80	38.05	39.31	40.57	41.83	22.00%	7.00%
16	334	339	32.05	33.24	34.40	35.57	36.74	37.92	39.09	22.00%	7.00%
15	326	333	29.95	31.06	32.15	33.24	34.33	35.43	36.53	22.00%	7.00%
14	317	325	27.99	29.03	30.04	31.06	32.09	33.11	34.14	22.00%	7.00%
13	311	316	26.16	27.13	28.08	29.03	29.99	30.95	31.91	22.00%	7.00%
12	281	310	24.45	25.35	26.24	27.13	28.03	28.93	29.82	22.00%	7.00%
11	256	280	22.85	23.70	24.52	25.36	26.20	27.03	27.87	22.00%	8.00%
10	226	255	21.15	21.93	22.70	23.47	24.25	25.02	25.80	22.00%	8.00%
9	201	225	19.58	20.30	21.02	21.73	22.45	23.17	23.88	22.00%	8.00%
8	148	200	18.14	18.81	19.47	20.13	20.80	21.46	22.13	22.00%	8.00%
7	126	147	16.79	17.41	18.02	18.63	19.25	19.86	20.48	22.00%	8.00%
6	109	125	15.56	16.14	16.70	17.27	17.84	18.41	18.98	22.00%	8.00%
5	105	108	14.40	14.93	15.46	15.98	16.51	17.04	17.56	22.00%	9.00%
4	101	104	13.21	13.70	14.18	14.66	15.14	15.63	16.11	22.00%	9.00%
3	97	100	12.12	12.57	13.01	13.45	13.89	14.34	14.78	22.00%	9.00%
2	94	96	11.12	11.53	11.94	12.34	12.75	13.16	13.56	22.00%	9.00%
1	90	93	10.20	10.58	10.95	11.32	11.69	12.07	12.44	22.00%	9.00%
			Step %	3.7%	3.5%	3.4%	3.3%	3.2%	3.1%		

## July 1, 2015 Wage Scale

2015 PAY GRADE	0.50% Point Minimum	July-Dec Point Maximum	STEP	STEP	STEP	STEP	STEP	STEP	STEP	Range % Spread	Max Spread
			1	2	3	4	5	6	7		
HOURLY											
19	451	496									
18	351	450	36.87	38.23	39.57	40.92	42.27	43.62	44.97	22.00%	7.00%
17	340	350	34.46	35.74	36.99	38.24	39.51	40.77	42.03	22.00%	7.00%
16	334	339	32.21	33.40	34.57	35.75	36.93	38.11	39.29	22.00%	7.00%
15	326	333	30.10	31.21	32.31	33.40	34.51	35.61	36.72	22.00%	7.00%
14	317	325	28.13	29.17	30.19	31.22	32.25	33.28	34.31	22.00%	7.00%
13	311	316	26.29	27.26	28.22	29.18	30.14	31.10	32.07	22.00%	7.00%
12	281	310	24.57	25.48	26.37	27.27	28.17	29.07	29.97	22.00%	7.00%
11	256	280	22.96	23.81	24.64	25.48	26.32	27.16	28.01	22.00%	8.00%
10	226	255	21.26	22.05	22.82	23.59	24.37	25.15	25.93	22.00%	8.00%
9	201	225	19.68	20.41	21.12	21.84	22.56	23.28	24.01	22.00%	8.00%
8	148	200	18.23	18.90	19.57	20.23	20.90	21.57	22.24	22.00%	8.00%
7	126	147	16.87	17.49	18.11	18.72	19.34	19.96	20.58	22.00%	8.00%
6	109	125	15.64	16.22	16.79	17.36	17.93	18.50	19.08	22.00%	8.00%
5	105	108	14.47	15.01	15.53	16.06	16.59	17.12	17.65	22.00%	9.00%
4	101	104	13.28	13.77	14.25	14.74	15.22	15.71	16.20	22.00%	9.00%
3	97	100	12.18	12.63	13.07	13.52	13.96	14.41	14.86	22.00%	9.00%
2	94	96	11.18	11.59	12.00	12.41	12.82	13.23	13.64	22.00%	9.00%
1	90	93	10.25	10.63	11.00	11.38	11.75	12.13	12.50	22.00%	9.00%
			Step %	3.7%	3.5%	3.4%	3.3%	3.2%	3.1%		

LABOR AGREEMENT  
BETWEEN

CITY OF CANNON FALLS

AND

INTERNATIONAL UNION OF OPERATING  
ENGINEERS

LOCAL No. 49, AFL-CIO



January 1, 2015 - December 31, 2017



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**ARTICLE I**  
**PURPOSE OF AGREEMENT**

This agreement is entered into between the City of Cannon Falls hereinafter called EMPLOYER, and Local No. 49, International Union of Operating Engineers, hereinafter called the UNION. The intent and purpose of this AGREEMENT is to:

- 1.1 Establish certain hours, wages and other conditions of employment;
- 1.2 Establish procedures for the resolution of disputes concerning this AGREEMENT'S interpretation and /or application;
- 1.3 Specify the full and complete understanding of the parties; and
- 1.4 Place in written form the parties' agreement upon terms and conditions of employment for the duration of the AGREEMENT.
- 1.5 The EMPLOYER and the UNION, through this AGREEMENT, continue their dedication to the highest quality of public service. Both parties recognize this AGREEMENT as a pledge of this dedication.

**ARTICLE II**  
**RECOGNITION**

The EMPLOYER recognizes the UNION as the exclusive representative under Minnesota Statutes, Section 179.71, Subd. 3 in an appropriate bargaining unit consisting of the following job classifications: All employees of the Public Works Department of the City whose employment service exceeds the lesser of the 14 hours per week or 35 percent of the normal work week and 67 days per year. Excluded are full time students who work no more than 100 work days per year, and supervisory and confidential employees.

**ARTICLE III**  
**UNION SECURITY**

In recognition of the UNION as the exclusive representative, the EMPLOYER shall:

- 3.1 Deduct each payroll period an amount sufficient to provide the payments of dues established by the UNION from the wages of all employees authorizing in writing such deduction, and
- 3.2 Remit such deduction to the appropriate designated officer of the UNION.

- 3.3 The UNION may designate certain employees from the bargaining union to act as stewards and shall inform the EMPLOYER in writing of such choice.
- 3.4 The UNION agrees to indemnify and hold the EMPLOYER harmless against any and all claims, suits, orders, or judgments brought or issued against the city as a result of any action taken or not taken by the city under the provisions of this Article.

#### **ARTICLE IV** **EMPLOYER SECURITY**

- 4.1 The UNION agrees that during the life of this AGREEMENT it will not cause, encourage, participate in or support any strike, slow down other interruption of or interference with the normal functions of the EMPLOYER.
- 4.2 Any employees who engages in a strike, may have his (her) appointment terminated by the EMPLOYER effective the date the violation first occurs. Such termination shall be effective upon written notice served upon the employee.
- 4.3 An employee who is absent from any portion of his work assignment without permission, or who abstains wholly or in part from the full performance of his duties without permission from his (her) EMPLOYER on the date or dates when a strike occurs is prima facie presumed to have engaged in a strike on such date or dates.
- 4.4 An employee who knowingly strikes and whose employment has been terminated for such action may, subsequent to such violation, be appointed or employed or re-employed, but the employee shall be on probation for two years with respect to such civil service status, tenure or employment, as he (she) may have theretofore been entitled.
- 4.5 No employee shall be entitled to any daily pay, wages or per diem for the days on which he (she) engaged in a strike.

#### **ARTICLE V** **EMPLOYER AUTHORITY**

- 5.1 The EMPLOYER retains the full and unrestricted right to operate and manage all manpower, facilities, and equipment; to establish functions and programs; to set and amend budgets; to determine the utilization of technology; to establish and modify the organizational structure; to select, direct and determine the number of personnel; to establish work schedules, and to perform any inherent managerial function not specifically limited by this AGREEMENT.

- 5.2 Any term and condition of employment not specifically established or modified by this AGREEMENT shall remain solely within the discretion of the EMPLOYER to modify, establish, or eliminate.

## **ARTICLE VI**

### **EMPLOYEE RIGHTS-GRIEVANCE PROCEDURE**

**6.1 DEFINITION OF A GRIEVANCE**

A grievance is defined as a dispute or disagreement as to the interpretation or application of the specific terms and conditions of this AGREEMENT.

**6.2 UNION REPRESENTATIVES**

The EMPLOYER will recognize representatives designated by the UNION as the grievance representatives of the bargaining unit having the duties and responsibilities established by this Article. The UNION shall notify the EMPLOYER in writing of the names of such UNION representatives and of their successors when so designated.

**6.3 PROCESSING OF A GRIEVANCE**

It is recognized and accepted by the UNION and the EMPLOYER that the processing of grievances as hereinafter provided is limited by the job duties and responsibilities of the EMPLOYEES and shall therefore be accomplished during normal working hours only when consistent with such EMPLOYEE duties and responsibilities.

The aggrieved EMPLOYEE and the UNION REPRESENTATIVE shall be allowed a reasonable amount of time without loss in pay when a grievance is investigated and presented to the EMPLOYER during normal working hours provided the EMPLOYEE and the UNION REPRESENTATIVE have notified and received the approval of the designated supervisor who has determined that such absence is reasonable and would not be detrimental to the work programs of the EMPLOYER.

**6.4 PROCEDURE**

Grievances, as defined by section 6.1, shall be resolved in conformance with the following procedure:

Step 1. An EMPLOYEE claiming a violation concerning the interpretation or application of this AGREEMENT, shall within twenty-one (21) calendar days after such alleged violation has occurred, present such grievance to the EMPLOYEE'S supervisor as designated by the EMPLOYER. The EMPLOYER designated representative will discuss and give an answer to such. Step 1 within ten (10) calendar days after receipt. A grievance not resolved in Step 1 and appealed to Step 2 shall be placed in writing setting forth the nature of the grievance, the facts on which it is based, the provision or provisions of the AGREEMENT allegedly violated, and the remedy requested and shall be appealed to Step 2 within ten (10) calendar days after the EMPLOYER designated representative's final answer in Step 1. Any grievance not appealed in writing to Step 2 by the UNION within fourteen (14) calendar days shall be considered waived.

Step 2. If appealed , the written grievance made and signed by the employee, shall be presented by the UNION and discussed with the EMPLOYER designated representative shall give the UNION the EMPLOYER’S Step 2 answer in writing within ten (10) calendar days after receipt of such Step 2 grievance. A grievance not resolved in Step 2 may be appealed to Step 3 within ten (10) calendar days following the EMPLOYER designated representative’s final Step 2 answer. Any grievance not appealed in writing to Step 3 by the UNION within ten (10) calendar days shall be considered waived.

Step 3. If appealed, the written grievance shall be presented by the UNION and discussed with the EMPLOYER designated Step 3 representative/ The EMPLOYER designated representative shall give the UNION the EMPLOYER’S answer in writing within ten (10)calendar days after receipt of such Step 3 grievance. A grievance not resolved by Step 3 may be appealed to Step 4 within ten (10) calendar days following the EMPLOYER designated representative’s final answer in Step 3. Any grievance not appealed in writing to Step 4 by the UNION within ten (10) calendar days shall be considered waived.

Step 4. A grievance unresolved in Step 3 and appealed in Step 4 shall be submitted to arbitration subject to the provisions of the Public Employment Labor Relations Act of 1971. The selection of an arbitrator shall be made in accordance with the “Rules Governing the Arbitration Grievances” as established by the Bureau of Mediation Services.

## **6.5 ARBITRATOR’S AUTHORITY**

- a) The arbitrator shall have no right to amend, modify, nullify, ignore, add to, or subtract from the terms and conditions of this AGREEMENT. The arbitrator shall consider and decide only the specific issue(s) submitted in writing by the EMPLOYER and the UNION, and shall have no authority to make a decision on any other issue not so submitted.
- b) The arbitrator shall be without power to make decisions contrary to, or inconsistent with, or modifying or varying in any way the application of laws, rules, or regulations having the force and effect of law. The arbitrator’s decision shall be submitted in writing within (30) days following close of the hearing or the submission of briefs by parties, whichever be later, unless the parties agree to an extension. The decision shall be binding on both the EMPLOYER and the UNION and shall be based solely on the arbitrator’s interpretation or application of the express terms of this AGREEMENT and to the facts of the grievance presented.
- c) The fees and expenses for the arbitrator’s services and proceedings shall be borne equally by the EMPLOYER and the UNION provided that each party shall be responsible for compensating its own representatives and witnesses. If either party desires a verbatim record of the proceedings, it may cause such record to be made, providing it pays for the record. If both parties desire a verbatim record of the proceedings, the cost shall be shared equally.

- 6.6** **WAIVER.** If a grievance is not presented within the time limits set forth above, it shall be considered “waived”. If a grievance is not appealed to the next step within the specified time limit or any agreed extension thereof, it shall be considered settled on the basis of the EMPLOYER’S last answer. If the EMPLOYER does not answer a grievance or an appeal thereof within the specified time limits, the UNION may elect to treat the grievance as denied at that step and immediately appeal the grievance to the next step. The time limit in each step may be extended by mutual agreement of the EMPLOYER and the UNION.
- 6.7** **CHOICE OF REMEDY.** If, as a result of the written EMPLOYER response in step 3, the grievance remains unresolved, and if the grievance involves the suspension, demotion, or discharge of an employee who has completed the required probationary period, the grievance may be appealed either to Step 4 of ARTICLE VI or a procedure such as: Veteran’s Preference, or Fair Employment. If appealed to any procedure other than Step 4 of ARTICLE VI the grievance is not subject to the arbitration procedure as provided in Step 4 of ARTICLE VI. The aggrieved employee shall indicate in writing which procedure is to be utilized Step 4 of ARTICLE VI, or another appeal procedure and shall sign a statement to the effect that the choice of any other hearing precludes the aggrieved employee from making a subsequent appeal through Step 4 of ARTICLE VI.

## **ARTICLE VII** **DEFINITIONS**

- 7.1** **BASE PAY RATE:** The employee’s hourly pay rate exclusive of longevity or any other special allowances.
- 7.2** **CALL BACK:** Return of an employee to a specified work site to perform assigned duties at the express authorization of the EMPLOYER at a time other than an assigned shift. An extension of or early report to an assigned shift is not a call back.
- 7.3** **COMPENSATORY TIME:** Time off the employee’s regularly scheduled work schedule equal in time to overtime worked.
- 7.4** **EMPLOYEE:** A member of the exclusively recognized bargaining unit.
- 7.5** **EMPLOYER:** The individual municipality designated by this AGREEMENT.
- 7.6** **OVERTIME:** Work performed at the express authorization of the EMPLOYER in excess of either eight (8) hours within a twenty-four (24) hour period, 12:01a.m. to midnight (except for shift changes) or more than forty (40) hours within a seven (7) day period (12:01a.m. Monday morning to midnight on Sunday following). **SENIORITY:** Length of continuous service with the EMPLOYER.
- 7.7** **SENIORITY:** Length of continuous service with the EMPLOYER.

- 7.8** SEVERNACE PAY: Payment made to an employee upon honorable termination of employment.
- 7.9** STRIKE: Concerted action in failing to report for duty, the willful absence from one's position, the stoppage of work, slowdown, or abstinence in whole or in part from the full, faithful and proper performance of the duties of employment for the purposes of inducing, influencing or coercing a change in the conditions or compensation or the rights, privileges or obligations of employment.
- 7.10** UNION: The International Union of Operating Engineers, Local No. 49, AFL-CIO.
- 7.11** UNION MEMBER: A member of the International Union of Operating Engineers, Local 49.

## **ARTICLE VIII** **SAVINGS CLAUSE**

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

## **ARTICLE IX** **WORK SCHEDULES**

- 9.1** The sole authority in work schedules is the EMPLOYER. The normal work day for an employee shall be eight (8) hours. The normal week shall be forty (40) hours.
- 9.2** Service to the public may require the establishment of regular shifts for some employees on a daily, weekly, seasonal or annual basis other than the employees normal work day or work week. The employer will give 72 hours advance notice to the employees affected by the establishment of schedules other than the normal work day or work week.
- 9.3** In the event that work is required because of unusual circumstances such as (but not limited to) fire, flood, snow, sleet, or breakdown of municipal equipment or facilities, no advance notice need be given. It is not required that an employee working other than the normal work day be scheduled to work more than eight (8) hours; however, each employee has an obligation to work overtime or call backs if requested unless unusual circumstances prevent him from so working.
- 9.4** Service to the public may require the establishment of regular work weeks that schedule work on Saturdays and /or Sundays.

**ARTICLE X**  
**OVERTIME PAY**

- 10.1** Overtime as defined in Section 7.9 definition will be compensated for at one and one half (1 ½) times the employee's regular base pay rate.
- 10.2** Overtime will be distributed as equally as practicable.
- 10.3** Overtime refused by employees will for record purposes, under ARTICLE 10.2 be considered as unpaid overtime worked.
- 10.4** For the purpose of computing overtime compensation, overtime hours worked shall not be pyramided, compounded, or paid twice for the same hours worked.
- 10.5** **Compensatory Time:** Employees may at their discretion choose compensatory time in lieu of overtime payments within the following guidelines:
- a) Compensatory time is paid off at a rate of one and one-half hours off per overtime hour worked
  - b) The maximum compensatory time accumulation for any employee is 80 hours. No further compensatory time may accrue until the employees balance drops below 80 hours.
  - c) Use of compensatory time shall be in the same manner as all other leaves.
  - d) All compensatory time will be marked as such on official time sheets, both when it is earned and when it is used and the Administration Department will maintain all records of compensatory time.
  - e) All compensatory time accrued will be paid when an employee leaves the city employment at the hourly pay rate the employee is earning at that time.

**ARTICLE XI**  
**CALL BACK/STAND-BY DUTY/WEEKEND DUTY**

- 11.1** **Call Back:** An EMPLOYEE called in for work at a time other than the EMPLOYEE'S normal scheduled shift will be compensated for a minimum of two (2) hours' pay at one and one-half (1½) times the EMPLOYEE'S base pay rate.
- 11.2** **Stand-by Duty:** The EMPLOYEE responsible for call out during this period would be the employee scheduled on the stand-by duty roster. Compensation for Stand-by Duty shall be one (1) hour per week day at 1 ½ times base pay rate and two (2) hours per weekend day at 1 ½ time the employee's base pay rate. During weeks that include a contractually identified Holiday, Employees responsible for call out will be compensated an additional two (2) hours of pay for each Holiday included in the week.
- 11.3** In addition to Stand-by duty compensation, employees shall earn eight (8) hours compensatory time when they are placed on Stand- by on Thanksgiving Day, Christmas Day and New Year's Day.



- 11.4 Weekend Duty.** The EMPLOYEE on Stand-by will also be responsible for Weekend Duty. Weekend Duty shall consist of performing routine work such as, but not limited to, pumping sludge at the wastewater treatment plant, checking of wells, pumps at the swimming pool and lift stations. Employees shall be compensated for hours worked while performing Weekend Duty on weekends and holidays at one and one-half (1½) times the EMPLOYEE'S normal rate of pay. Under normal circumstances and conditions, weekend duty shall require approximately 1.5 hours of work per day on weekends and holidays. However, this is not a minimum requirement or limit to the hours of work but rather a benchmark. Additionally, an EMPLOYEE who has completed the assigned weekend duty and is called back to the City for additional work shall be compensated in the amount specified for call back duty within this Article.

## **ARTICLE XII** **LEGAL DEFENSE**

- 12.1** Employees involved in litigation because of negligence, ignorance of laws, non-observance of law, or as a result on employee judgmental decision may not receive legal defense by the municipality.
- 12.2** An employee who is charged with a traffic violation, ordinance violation or criminal offense arising from acts performed within the scope of his employment, when such act is performed in good faith and under direct order of his supervisor, shall be reimbursed for reasonable attorney's fees and court costs actually incurred by such employee in defending against such charge.

## **ARTICLE XIII** **RIGHT TO SUBCONTRACT**

Nothing in this AGREEMENT shall prohibit or restrict the right of the EMPLOYEE from subcontracting work performed by employees covered by this AGREEMENT.

## **ARTICLE XIV** **DISCIPLINE**

- 14.1** The EMPLOYER will discipline employees only for just cause.
- 14.2** Oral reprimands are normally given for first infractions on minor offenses to clarify expectations and put the employee on notice that the performance or behavior needs to change, and what the change must be. The supervisor will document the oral reprimand including date(s) and a summary of discussion and corrective action needed.

**ARTICLE XV**  
**SENIORITY**

In the event of lay off due to lack of work, permanent employees with the least seniority shall be the first to be laid off, and in the event of rehire, the last employee laid off shall be the first to be rehired; however, any employee retained in event of lay off must be qualified to perform the work available. Employees laid off due to lack of work shall be given a two week advance notice of such lay off.

**ARTICLE XVI**  
**PROBATIONARY PERIODS**

- 16.1** All newly hired or rehired employees will serve a one (1) year probationary period.
- 16.2** All employees will serve a six (6) month's probationary period in any job classification in which the employee has not served a probationary period. Employees that have not completed their probationary period as identified in 16.1 shall serve a one (1) year probation in any new job classification.
- 16.3** At any time during the probationary period, a newly hired or rehired employee may be terminated at the sole discretion of the EMPLOYER.
- 16.4** At any time during the probationary period a promoted or reassigned employee may be demoted or reassigned to the employee's previous position at the sole discretion of the EMPLOYER.

**ARTICLE XVII**  
**SAFETY**

- 17.1** The EMPLOYER and the UNION agree to jointly promote safe and healthful working conditions, to cooperate in safety matters and to encourage employees to work in a safe manner.
- 17.2** The City shall provide coveralls for all those employees whose jobs, as determined by management, is of such nature as to require protection of the employee's clothing. The EMPLOYER shall be responsible for laundering the coveralls. The City will reimburse up to \$150 during the contract period for the cost of one pair of prescription safety glasses, and reimburse for the actual cost of up to two lens replacements, for those employees that required to wear prescription eyeglasses. The supervisor's approval shall be secured in advance of ordering replacement lenses. Reimbursement shall be made within 14 days of submitting receipts for such purchase of safety glasses or lenses.

## **ARTICLE XVIII** **JOB POSTING**

- 18.1** The EMPLOYER and the UNION agree that permanent job vacancies within the designated bargaining unit shall be filled based on the concept of promotion from within provided that applicants:
- a) Have the necessary qualifications to meet the standards of the job vacancy; and
  - b) Have the ability to perform the duties and responsibilities of the job vacancy.
- 18.2** Employees filling a higher job class based on the provisions of this ARTICLE shall be subject to the conditions of ARTICLE XVI (PROBATIONARY PERIODS).
- 18.3** The EMPLOYER has the right of final decision in the selection of employees to fill posted jobs based on qualifications, abilities and experience.
- 18.4** Job vacancies within the designated bargaining unit will be posted for five (5) working days, so that members of the bargaining unit can be considered for such vacancies.

## **ARTICLE XIX** **HOLIDAYS**

- 19.1** The EMPLOYER will provide ten (10) paid, designated holidays and one paid floating holiday.
- 19.2** All employees, except seasonal employees, shall be granted ten (10) paid holidays. The specific holidays are: New Year's Day, Dr. Martin Luther King's Birthday, President's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, the day after Thanksgiving and Christmas Day. All hours worked on a holiday shall be paid at one and one-half (1 ½) times the regular rate of pay with the exception of Thanksgiving Day, Christmas Day and New Year's Day which will be compensated at two (2) times the regular rate of pay.
- 19.3** Holiday pay shall be determined as follows: The employee's total hours worked for the last four weeks shall be divided by 160 hours. The percentage obtained, which may not be more than 100 % shall be multiplied by 8 hours to determine the amount of holiday pay granted for the holiday.

Example: Hours worked in the last 4 weeks=80  
80/160=50%  
8 x 50%= 4 hours pay for holiday

Holiday hours arrived at in this calculation shall be counted as hours worked for purposes on computing overtime pay.

- 19.4 If an employee is required to work on a listed holiday, he/she shall be paid one and one-half times their regular rate of pay for hours worked on such holiday, and in addition may take an alternate day off in lieu of the holiday. Such alternate day off must be taken within 60 days of the holiday and shall be approved in advance by the department head.
- 19.5 In addition to the ten designated holidays, the EMPLOYER will grant one paid floating holiday. Such floating holiday shall be taken off at the mutual agreement of the employee and department supervisor.
- 19.6 A second floating holiday as a longevity award upon the employee's length of service during the following years of service:

Upon 10 years of service and at five (5) year intervals thereafter one additional floating holiday will be awarded for that year only.

**ARTICLE XX**  
**VACATION**

- 20.1 Each employee who has completed six months of service shall be entitled to vacation leave, as hereinafter provided.
- 20.2 Employees who temporarily work more than thirty (30) hours per week as a result of a full-time employee being on an approved Leave of Absence, shall not be considered full-time employees for the purpose of vacation, sick leave, holidays and insurance until said Leave of Absence has exceeded ninety (90) days.
- 20.3 Vacation Leave Accrual: Each permanent full-time city employee shall earn paid vacation leave starting from and after an initial six month period, based on the following schedule of continual service:

<u>Years of Service</u>	<u>Annual Accrual</u>
0-4 years	80 hours
5-9 years	120 hours
10-14 years	160 hours
15-19 years	200 hours
20 + years	240 hours

- 20.4 When taken: Vacation leave may be used as earned provided that the City department head shall approve the time at which the vacation leave may be taken. Vacation leave used shall be counted as hours worked for the purpose of computing overtime pay.
- 20.5 Accrual: Employees may accrue vacation leave to a maximum of 320 working hours. In the event that an employee has accumulated a total of 320 working hours of vacation, he may absent himself or herself from work, with notice to take vacation leave and thus prevent loss of vacation leave beyond 320 hours.

- 20.6** Terminal Leave: Any employee leaving the municipal service in good standing after giving notice of such termination of employment, shall be compensated for vacation leave accrued and unused to the date of separation.

## **ARTICLE XXI** **SICK LEAVE**

- 21.1** All regular full-time employees with one (1) year or more of regular service shall be entitled to sick leave benefits hereinafter provided. All unused sick leave, upon termination, will be given as termination based on the following schedule:

- up to nine years 25%
- 10 to 19 years 35%
- After 20 years 50%

To receive terminal leave benefits, an employee must leave in good standing as provided by City Code, Chapter 2, Section 2.63, Subdivision 15.

- 21.2** Eligibility: Sick leave with pay shall be granted to all probationary and permanent employees at the rate of 8 working hours of pay for each 173 hours worked, to a maximum of 960 hours per year. Not more than 80 hours per two week period shall be counted towards sick leave accrual.

- 21.3** Accrual: Sick leave may be granted only for absence from duty because of the personal illness of the employee. Sick leave may be accumulated to a total of not more than 800 hours. Worker's compensation benefits shall be credited against the compensation due an employee during sick leave.

- 21.4** Proof Required: In order to be eligible for sick leave with pay, an employee must:

- a) Report promptly in accordance with EMPLOYER policy, the reason for the absence.
- b) Keep the EMPLOYER informed of his/her condition and provide medical certificate when required by the EMPLOYER.
- c) Provide written documentation as otherwise required by the EMPLOYER to establish eligibility for paid leave.

- 21.5** Penalty: Claiming sick leave when physically fit except as permitted in this Section may be cause for disciplinary action, including transfer, demotion, suspension, or dismissal.

- 21.6** Sick leave and vacation leave shall be charged off, based on the number of working hours missed up to a maximum of: 40 hours per week; 80 hours per two weeks; or 8 hours per day. Sick leave used shall be counted as hours worked for the purpose of computing overtime pay.

- 21.7** Credit: Worker's Compensation Benefits shall be credited against the compensation due an employee during sick leave. In addition, following the expiration of the 15<sup>th</sup>

consecutive lost work day to any qualifying sickness, any sickness or disability insurance benefits of whatever nature or source payable to an employee shall be credited against the compensation due said employee from the City, it being the explicit intention herein that following said initial 15 day period no employee receive total sick leave benefits from all sources of more than said employee's base gross wages earned while working and not sick. Provided however, that should any employee have sick leave related medical expense not paid for by applicable insurance, the City shall not effect such sickness and disability insurance benefits creditation, unless and until employee has received such total payments from all sources, so as to equal the combined sum of base gross wages and sick leave related medical expenses not paid for by applicable insurance.

Crediting private insurance against sick leave shall be as follows: Sick leave shall be charged off and paid at a rate that reflects the percentage the City is paying towards his total sick leave related income. Example:

Employee's regular weekly wages-----\$200 (\$5.00 per hour)  
 Private disability insurance-----\$100  
 City pays in this case-----\$100  
 (The difference between his regular weekly pay and his private disability insurance payment \$100 divided by employee's hourly wage equals 20 hours of sick leave taken).

**ARTICLE XXII**  
**EMERGENCY LEAVE**

- 22.1** Eligibility: Emergency leave with pay shall be granted to all probationary and permanent employees to a maximum of 40 hours per year.
- 22.2** Accrual: Emergency leave may be granted only for absence from duty because of the illness or death in the immediate family, namely, husband, wife, son, daughter, father, mother, father-in-law, mother-in-law, sister or brother. Emergency leave shall be deducted from an employee's accrued sick leave and shall be limited to 40 hours per calendar year.
- 22.3** Proof Required: In order to be eligible for emergency leave with pay, an employee must:
  - a) Report promptly to his department head the reason for his absence.
  - b) Submit verification of the reason for his absence if required by the City Administrator.
- 22.4** Penalty: Claiming emergency leave when not permitted in this subsection may be cause for disciplinary action, including transfer, demotion, suspension, or dismissal.
- 22.5** Any employee who has worked half-time or more for more than twelve (12) consecutive months, may take unpaid leave for up to a total of sixteen (16) hours during any school year to attend school conferences or classroom activities related to the employee's child

(under 18 or under 20 and still attending secondary school), provided the conference or classroom activities cannot be scheduled during non-work hours. Vacation or Compensatory Time can be used if available.

**ARTICLE XXIII**  
**MEAL PERIOD AND BREAKS**

- 23.1** All employees who work more than a four (4) hour shift shall be granted a meal period of not less than one-half (1/2) hour nor more than one (1) hour. This meal period shall be without pay.
- 23.2** All employees will be granted a fifteen (15) minute break during the first four hours of their work day. An additional fifteen (15) minute break shall be allowed during the last half of their work day if the employee is working at least a seven (7) hour shift. Their breaks shall be with pay.

**ARTICLE XXIV**  
**HEALTH-LIFE-DISABILITY INSURANCE**

- 24.1** The EMPLOYER shall provide a group insurance program available to all full-time employees covered by this AGREEMENT. Such insurance shall include family health insurance, \$20,000 employee term life insurance, and disability insurance paying \$50 per week for 13 weeks.
- 24.2** HEALTH INSURANCE. The EMPLOYER shall provide group health insurance available to all full-time employees. The EMPLOYER shall provide the employee with health insurance at no cost. The employee may elect additional coverage for family members. The EMPLOYER shall pay 50 % of the actual cost for elected employee family members not to exceed \$725/month.
- 24.3** HEALTH SAVINGS ACCOUNT. If the employee elects a high deductible health plan offered by the EMPLOYER, then the EMPLOYER shall provide a matching contribution to the employee's Health Savings Account (HSA) at the following rate:

Single Coverage-up to \$25 per month  
Family Coverage-up to \$50 per month

The EMPLOYER shall also pay the monthly maintenance fee for the employee's HSA, while the employee is employed by the EMPLOYER.

- 24.4** The EMPLOYER shall create an insurance advisory committee to review employee benefit changes and renewal proposals. The City will give committee members reasonable advance notice of any cost increase before they are implemented through payroll withholding. This unit shall be allowed one representative on the committee. This

committee shall be advisory only and shall have no authority to change any employee benefit. This authority remains with the City Council.

## **ARTICLE XXV** **UNIFORMS**

**25.1** The EMPLOYER will pay for the cost of uniforms.

- Effective January 1, 2015 employees shall be allowed up to \$530.00 for the purchase of work clothing and work boots.
- Effective January 1, 2016 employees shall be allowed up to \$560.00 for the purchase of work clothing and work boots.
- Effective January 1, 2017 employees shall be allowed up to \$590.00 for the purchase of work clothing and work boots.

With advanced supervisor approval employees may use a City charge account for purchases up to the yearly uniform allowance—or employees may choose to incur the initial cost by purchasing items themselves and then submit receipts for reimbursement. Receipts proving purchases shall be turned in to City Hall before December 31, of each year. Reimbursement of the actual expense paid, up to the yearly maximum allowance shall be reimbursed within 14 days.

## **ARTICLE XXVI** **OTHER EMPLOYEE BENEFITS AND PENSION PLAN**

**26.1** The employer shall establish a Section 125 Flexible Compensation Plan (Cafeteria Plan) and an employee deferred compensation plan for the optional use by the employees of this unit.

**26.2** The employees of this unit shall be included in the City's Health Care Savings Plan established by City Resolution Number 1471, attached as exhibit A to this Agreement.

**26.3** The CPF is a supplemental Pension Fund authorized by Minnesota Statutes, §356.24, subdivision 1(9).

a) Effective January 1, 2013 the Employer pension contribution will be \$0.45 per hour. Effective January 1, 2014 the hourly contribution rate shall be \$0.55. The hourly contribution rate will be applied to every hour compensated (i.e. hours worked, vacation, holiday and sick time) including overtime hours worked. The Employer shall pay this contribution directly to the I.U.O.E Central Pension Fund at 4115 Chesapeake Street NW, Washington DC 20016. The per hour pension contribution is in addition to the identified compensation in exhibit B.

b) A contribution of less than \$2.40 per hour prevents any employee's annual CPF contributions from exceeding \$5,000 in a year and therefore complies with limitations set forth under Minnesota Statute §356.24, subd. 1(9) as amended. Furthermore, the parties agree that the Public Employees Retirement Association



interprets employer contribution to the CPF as fringe benefits that are included in determining “salary” for the purposes of the public pension. Unless changes are made to the state law or agency’s interpretation thereof, the parties accept this interpretation and application.

- c) This description serves to detail the terms and conditions of the pension contribution and express the parties’ understanding thereof. The CPF Plan of Benefits and the Agreement and Declaration of Trust will serve as the governing documents.

**ARTICLE XXVII**  
**SPECIAL COMPENSATION FOR LICENSES**

The EMPLOYER shall pay additional compensation to each employee holding and maintaining a State of Minnesota license for water and wastewater as follows:  
For Class B Wastewater License for one person designated by the employer as primary operator earned and paid monthly shall be \$6000/year; effective 1/1/15; \$7200/ year; effective 1/1/16 and \$8600/year effective 1-1-2017.

For Type IV Biosolids License	\$100/mo.
For Class C Wastewater License	\$50/mo.
For Class C Water License	\$50/mo.
For Class D Wastewater License	\$25/mo.
For Class D Water License	\$25/mo.

For the extra cost of Commercial Driver License for renewal-not to exceed \$25

For Pool Operator License if required by the Minnesota Department of Health, the City shall pay \$25 per month for the months of May-September.

Up to two employees will be eligible for Herbicide License compensation. The City shall pay \$25 per month for the months of May-September.

**ARTICLE XXVIII**  
**WAGES**

**28.1** WAGES. Employer and UNION mutually agree that the pay rates for full-time employees of this bargaining unit shall be Grades 7 & 8, of the City of Cannon Falls pay system except that the Streets & Parks Supervisor and Utility Supervisor shall be in Grade 10 of such pay system, a copy of which is attached hereto as Exhibit B.

**General Maintenance Worker I:** Pay grade 7

**General Maintenance Worker II:** Pay grade 8  
(Requires minimum of class D water license and class D sewer license)

Primary Operator Water/Wastewater Systems: Pay Grade 8

**Streets and Parks Supervisor:** Pay grade 10

**Utility Supervisor:** Pay grade 10

- 28.2** ADVANCING STEPS. Movement to higher step in the pay grade shall occur only on January 1, of each year. Regular full-time employees beginning employment prior to August 15 shall advance to the next step on the following January 1. Regular full-time employees beginning August 15 or after shall advance to the next step on the second January 1, following employment.

## **ARTICLE XXIX** **WAIVER**

- 29.1** Any and all prior agreements, resolutions, practices, policies rules and regulations regarding terms and conditions of employment, to the extent inconsistent with the provisions of this AGREEMENT, are hereby superseded.
- 29.2** The parties mutually acknowledge that during the negotiations which resulted in this AGREEMENT, each had the unlimited right and opportunity to make demands and proposals with respect to any term or condition of employment not removed by law from bargaining. All agreements and understandings arrived at by the parties are set forth in writing in this AGREEMENT for the stipulated duration of this AGREEMENT. The EMPLOYER and the UNION each voluntarily and unqualifiedly waives the right to meet and negotiate regarding any and all terms and conditions of employment referred to or covered in this AGREEMENT or with respect to any term or condition of employment not specifically referred to or covered by this AGREEMENT, even though such terms or conditions may not have been within the knowledge or contemplation of either or both parties at the time this contract was negotiated or executed.

**ARTICLE XXX**  
**DURATION**

This AGREEMENT shall be effective as of January 1, 2015 and shall remain in full force and effect until December 31, 2017 and the parties hereto agree to begin meeting not less than 180 days prior to the expiration of this agreement to negotiate for a subsequent contract period.

In witness thereof, the parties hereto have executed this AGREEMENT on this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

FOR THE CITY OF CANNON FALLS:

FOR I.U.O.E, LOCAL No.49:

\_\_\_\_\_  
Robby Robinson, Mayor

\_\_\_\_\_  
Glen D. Johnson, Business Manager

\_\_\_\_\_  
Ron Johnson, City Administrator

\_\_\_\_\_  
Cory Bergerson, Area Representative

**City of Cannon Falls and I.U.O.E., Local 49**  
**Memorandum of Understanding**

**Sick Leave Donation Policy**

1. With the express written consent of the City Administrator, employees having accrued sick leave, vacation leave and/or compensatory leave will be allowed to donate a portion of such accrued leave to fellow employees experiencing a major life threatening illness suffered by the employee, the employee's spouse, or the employee's children. A major life threatening illness shall include, but not necessarily be limited to: heart attack, stroke, organ transplant, or other life threatening illness as defined by a physician's diagnosis. The major life threatening illness must be supported by a physician's statement to be eligible for consideration.
2. An employee is only eligible to receive donated sick leave, vacation leave and/or compensatory leave for normal work hours lost due to a life threatening illness as defined above.
3. An employee will be eligible to receive donated sick leave, vacation leave and/or compensatory leave only after the employee's own accrued sick leave, compensatory leave, vacation leave and any other accrued leave have been exhausted.
4. A full-time employee will be allowed to receive up to 20 days (160 hours) of donated sick leave, vacation leave and/or compensatory leave for any single major life threatening illness. A part-time employee will be allowed to receive up to 10 days (80 hours) of donated sick leave, vacation leave and/or compensatory leave for any single major life threatening illness.
5. An employee may only use donated sick leave, vacation leave and/or compensatory leave up to the time of eligibility for the long-term disability benefit (if applicable), or for the maximum number of days allowed to be donated, whichever occurs first.
6. A full-time employee may donate no more than 16 hours of sick leave, vacation leave and/or compensatory leave to each requesting employee per calendar year. A part-time employee may donate no more than 8 hours to each requesting employee per calendar year.
7. Donations must be on an hour-for-hour basis. For every one (1) hour of sick leave, vacation leave and/or compensatory leave donated by the donor, the recipient will be credited with one (1) hour of sick leave. The pay levels of the two employees shall not affect the transaction.
8. Donation of accrued sick leave and/or vacation leave must be in whole hours, with a minimum of two hours per employee surrendering leave hours.
9. A written request using the appropriate form available through the Payroll Department to donate sick leave, vacation leave and/or compensatory leave must be submitted to the

Department Director of the employee who is being considered for receiving the donated leave. The Department Director shall review and submit to the City Administrator for final consideration. Employees shall not independently solicit donations. Donations shall remain anonymous.

10. Donation of leave will not be allowed once an employee is judged to be disabled by the major medical condition and will not be returning to work. Employees receiving Worker's Compensation benefits from a City related injury or illness are not eligible to receive donations.
11. No provisions of this policy, or its administration, shall be subject to review under the grievance or arbitration provisions of any collective bargaining agreement.
12. The City Administrator has the right to deny and/or limit donation requests as deemed necessary and in the best interest of the City of Cannon Falls.
13. The donated sick leave, vacation leave and/or compensatory leave will be subtracted from the donor's regular accumulated sick leave, vacation leave and/or compensatory leave balance and a credit reflecting the donated hours will be provided to the requesting employee's sick leave.
14. Donated leave cannot be used for any severance pay, or paid out to an employee in the form of cash or used in any other manner other than what is stated in this policy.
15. This policy shall become effective retroactive to August 1, 2006.

**For the City of Cannon Falls:**

**For IUOE, Local 49:**

\_\_\_\_\_  
Ron Johnson, City Administrator

\_\_\_\_\_  
Cory Bergerson, Business Agent

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**City of Cannon Falls and I.U.O.E., Local 49**  
**Memorandum of Understanding**

**2015-2017 Considerations**

1. Effective January 1, 2015, all employees covered under this Agreement shall receive a 2% wage increase.
2. Effective July 1, 2015, all employees covered under this Agreement shall receive an additional ½ % wage increase.
3. Additionally, the Employer and the Union agree to meet and confer for the annual wage increases by January 1<sup>st</sup> 2016 and January 1<sup>st</sup>, 2017.
4. Wage adjustment for employees including the above increases are as follows:
  - Wes Anway-Receives a step increase to Pay Grade 10, Step 6, effective 1/1/15 \$25.02; effective 7/1/15 \$25.15.
  - Joey Gillen-Receives a step increase to Pay Grade 8, Step 7, effective 1/1/15 \$22.13; effective 7/1/15 \$22.24.
  - Tony Haan-Does not receive a step increase because he started after 8/15/14 but receives 2% COLA increase effective 1/1/15 \$19.25; effective 7/1/15 \$19.35.
  - Ted Hartgers-Receives a 2% COLA increase effective 1/1/15 \$23.04; effective 7/1/15 \$23.16
  - Josh Otto-Receives a step increase to Pay Grade 10, Step 4, effective 1/1/15 \$23.47; effective 7/1/15 \$23.59.
  - Dave Pagel-Receives a 2% COLA increase effective 1/1/15 \$26.86; effective 7/1/15 \$27.00.
  - Chuck Peterson-Receives a 2% COLA increase effective 1/1/15 \$22.27; effective 7/1/15 \$22.39.

This Memorandum of Understanding shall expire on December 31, 2017.

**For the City of Cannon Falls:**

**For IUOE, Local 49:**

\_\_\_\_\_  
Ron Johnson, City Administrator

\_\_\_\_\_  
Cory Bergerson, Business Agent

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**EXHIBIT A  
CITY OF CANNON FALLS  
GOODHUE COUNTY, MINNESOTA**

**RESOLUTION NUMBER 2133**

**A RESOLUTION PROVIDING FOR POST-EMPLOYMENT HEALTH CARE SAVINGS  
PLAN (HCSP)**

**WHEREAS**, the City Council of the City of Cannon Falls finds it desirable and beneficial to the City and to its employees to establish a Post-Employment Health Plan also known as a Health Care Savings Plan;

**NOW THEREFORE BE IT RESOLVED BY THE CITY OF CANNON FALLS THAT** there is hereby established an employee benefit program for covered members of the International Union of Operating Engineers, Local No. 49, known as Health Care Savings Plan (HCSP) with an implementation date of January 1, 2015 (see below for effective date) for the duration of the January 1, 2015- December 31, 2017 labor agreement.

**FUNDING OF THE HCSP.** On the next January 2<sup>nd</sup>, after accumulation of a minimum of 384 hours of sick leave, 24 hours of sick leave less any hours used during the prior year for paid sick and emergency leave will be removed from the employee's sick leave balance, and that number of hours will be multiplied by the employees regular hourly rate to get an amount of cash that will be contributed to the employees HCSP account. Money would be contributed to the HCSP in the same manner after each subsequent year during which the sick-leave balance remains above 384 hours, (Note for hourly employees. Recognizing that hourly workers do not have flexibility to absent themselves from work without using sick leave for minor doctor visits and annual medical checkups, the deduction from HCSP eligible transfers for used sick leave shall be reduced by eight hours per year.)

On the next January 2<sup>nd</sup>, after accumulation of 720 hours of sick leave, 48 hours of sick leave less any hours used during the prior year for paid sick and emergency leave will be removed from the employee's sick leave balance, and that number of hours will be multiplied by the employees regular hourly rate to get an amount of cash that will be contributed to the employees HCSP account. Money would be contributed to the HCSP in the same manner after each subsequent year during which the sick-leave balance remains above 720 hours. (Note for hourly employees. Recognizing that hourly workers doctor visits and annual medical checkups, the deduction from HCSP eligible transfers for used sick leave shall be reduced by eight hours per year.)

Any unused sick leave balances eligible to be paid as terminal leave benefits at termination to the extent that the amount eligible to be paid equals 30 hours or more, will be paid only to the employee's Health Care Savings Plan not directly to an employee.

The maximum accumulation for sick leave is 960 hours. All employees when they have accrued 960 hours, 60 hours of sick time will be automatically transferred and converted into cash and deposited in their post-employment health care savings account.

All employees who have accrued 320 hours of vacation time, eighty (80) hours will be converted into cash and deposited in the Post Employment Healthcare Savings Account.

**ADDITIONAL FUNDING:** For all covered employees with a least ten years of work service, one half of unused vacation at the time of termination, eligible to be paid as terminal leave benefit, shall be paid at the employees current pay rate, into the employee's HCSP account. All Employees shall contribute \$25.00 per pay period.

The HCSP account may be used at termination of employment for medical insurance premiums and unreimbursed medical expenses as permitted by IRS regulations. The money would be available to the former employee, a spouse or a qualifying dependent.

### **Death of Employee**

#### ***Contributions not allowed after death of employee***

MSRS cannot accept an HCSP contribution after an employee's death unless the contribution is the result of payroll deductions. The HCSP contract language should indicate how or if money will be paid upon the death of an employee. If a contribution is remitted after an employee's death, please see [Contributions made in error](#).

#### ***Distribution of HCSP assets upon participant's death***

Upon the death of an HCSP participant, the remaining account balance is always transferred to an heir to use for reimbursement of eligible health care expenses. The transfer is as follows:

- If spouse, balance is transferred to spouse to use for tax-free reimbursements.
- If no spouse, then balance is transferred to surviving legal dependents to use for tax-free reimbursements.
- If no spouse or legal dependents, the funds are transferred to designated beneficiary. Reimbursements to a designated beneficiary are subject to state and federal income taxes.
- If no spouse, legal dependents or designated beneficiary, a representative of the estate will name a person eligible to receive the remaining account balance in the form of reimbursements. Reimbursements to this person are subject to state and federal income taxes.

**ADMINISTRATIVE FEES:** Administrative fees imposed upon employee accounts by the plan administrator, Minnesota State Retirement System, shall be deducted from each individual participant's account.

**EFFECTIVE DATE:** This program shall be effective January 1, 2015. Ongoing payroll deductions will begin when this resolution is signed. The annual sick leave conversion will begin January 1, 2016, or as soon thereafter as possible.

**DURATION:** The City Council reserves the right to terminate this program at any time, understanding that balances previously transferred to employee accounts shall remain the property of the employee to be used after termination of employment.



**AUTHORIZATION TO EXECUTE PLAN DOCUMENTS:** The Mayor and City Administrator are hereby authorized to execute and file any and all documents, subject to review by the City Attorney, necessary to implement the HCSP through Minnesota State Retirement System.

Adopted by the Council this 5th day of June, 2015.

CITY OF CANNON FALLS, MINNESOTA

---

By: Lyman M. Robinson, Mayor

Attest:

---

Ronald S. Johnson, City Administrator

**MEMORANDUM OF UNDERSTANDING**

Between  
Local No.49  
AND

CITY OF CANNON FALLS

THE FOLLOWING AGREEMENT ADDRESSES STRAIGHT EIGHT HOUR SHIFT

Straight eight hour shifts may be implemented if agreed to by both parties. The parties will meet to reach an agreement on operational changes and schedule requirements prior to implementing a straight hour shift. If straight eight hour shifts are implemented, the following guidelines will apply:

- Prior to any crew being assigned to a straight eight hour work shift, they must receive authorization from the Public Works Director. The straight eight hour shift can be terminated by either party subject to a five day advance notice. If, after the trial period is complete and after evaluation by City Administration and determination that the straight eight hour shift in is the best interest of the City, the shift will stay in effect, subject to Article IX- Work Schedules.
- The two paid 15 minute breaks will be combined to one 30 minute break at the midpoint of the shift. The current 30 minute unpaid lunch break will be moved to the end of the shift.
- Crew members are expected to maximize the work day and to leave the work site at the end of the work day with only enough time to complete required end of day procedures, such as fueling, time sheets and clean-up.
- Extreme weather conditions may require that employees take additional rest and water breaks (high heat and humidity). Discuss this with your supervisor prior to taking additional breaks.

THIS MEMORANDUM OF UNDERSTANDING EXPIRES DECEMBER 31, 2017.

**FOR THE CITY OF CANNON FALLS:**

**FOR THE INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL No. 49**

\_\_\_\_\_  
Ron Johnson, City Administrator

\_\_\_\_\_  
Cory Bergerson, Area Business Representative

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# MEMORANDUM OF UNDERSTANDING

Between  
City of Cannon Falls  
And  
International Union of Operating Engineers, Local 49

## Summer Hours

The purpose of this Memorandum of Understanding is to assist both Labor and Management in dealing with other than five (5) eight (8) hour work day schedules. In the event that the EMPLOYER changes the work schedule to a work week of other than five (5) eight (8) hour days, the following shall apply:

- A. During a four (4) ten (10) hour day, Monday through Friday. The duration shall be May 1<sup>st</sup> through October 1<sup>st</sup>.
- B. Employees shall be compensated for the contractual eight hours of pay on all holidays and will be required to use leave or compensatory time to complete a scheduled ten (10) hour holiday and forty (40) hour work week.
- C. Hours worked in excess of the regularly scheduled shift, or in excess of forty (40) within a seven (7) day period will be compensated for at one and one-half (1-1/2) times the employee's regular base pay. For purposes of this Section, hours worked shall include hours designated as personal, holiday, sick, vacation or compensatory time off.
- D. Any vacation, personal leave, or sick leave will be charged at the rate of ten (10) hours per day coinciding with the scheduled shift in place at that time.

The Employer or Union may terminate this Memorandum of Understanding for a participating Division with a seven (7) day notice to the Union Business Agent, City Administrator, Public Works Superintendent. Termination of this Memorandum of Understanding is not grievable.

This Memorandum of Understanding will expire December 31 2017.

\_\_\_\_\_  
Ron Johnson, City Administrator

\_\_\_\_\_  
Cory Bergerson, Business Agent

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**EXHIBIT B**  
**January 1, 2015**  
**Wage Scale**

**CITY OF CANNON FALLS PAY GRADE SYSTEM**

2015 PAY GRADE	2% Point Minimum	Jan-June Point Maximum	STEP	STEP	STEP	STEP	STEP	STEP	STEP	Range % Spread	Max Spread
			1	2	3	4	5	6	7		
HOURLY											
19	451	496	39.26	40.71	42.14	43.57	45.01	46.45	47.89		
18	351	450	36.69	38.05	39.38	40.72	42.06	43.41	44.75	22.00%	7.00%
17	340	350	34.29	35.56	36.80	38.05	39.31	40.57	41.83	22.00%	7.00%
16	334	339	32.05	33.24	34.40	35.57	36.74	37.92	39.09	22.00%	7.00%
15	326	333	29.95	31.06	32.15	33.24	34.33	35.43	36.53	22.00%	7.00%
14	317	325	27.99	29.03	30.04	31.06	32.09	33.11	34.14	22.00%	7.00%
13	311	316	26.16	27.13	28.08	29.03	29.99	30.95	31.91	22.00%	7.00%
12	281	310	24.45	25.35	26.24	27.13	28.03	28.93	29.82	22.00%	7.00%
11	256	280	22.85	23.70	24.52	25.36	26.20	27.03	27.87	22.00%	8.00%
10	226	255	21.15	21.93	22.70	23.47	24.25	25.02	25.80	22.00%	8.00%
9	201	225	19.58	20.30	21.02	21.73	22.45	23.17	23.88	22.00%	8.00%
8	148	200	18.14	18.81	19.47	20.13	20.80	21.46	22.13	22.00%	8.00%
7	126	147	16.79	17.41	18.02	18.63	19.25	19.86	20.48	22.00%	8.00%
6	109	125	15.56	16.14	16.70	17.27	17.84	18.41	18.98	22.00%	8.00%
5	105	108	14.40	14.93	15.46	15.98	16.51	17.04	17.56	22.00%	9.00%
4	101	104	13.21	13.70	14.18	14.66	15.14	15.63	16.11	22.00%	9.00%
3	97	100	12.12	12.57	13.01	13.45	13.89	14.34	14.78	22.00%	9.00%
2	94	96	11.12	11.53	11.94	12.34	12.75	13.16	13.56	22.00%	9.00%
1	90	93	10.20	10.58	10.95	11.32	11.69	12.07	12.44	22.00%	9.00%
			Step %	3.7%	3.5%	3.4%	3.3%	3.2%	3.1%		

## July 1, 2015 Wage Scale

2015 PAY GRADE	0.50% Point Minimum	July-Dec Point Maximum	STEP	STEP	STEP	STEP	STEP	STEP	STEP	Range % Spread	Max Spread
			1	2	3	4	5	6	7		
HOURLY											
19	451	496									
18	351	450	36.87	38.23	39.57	40.92	42.27	43.62	44.97	22.00%	7.00%
17	340	350	34.46	35.74	36.99	38.24	39.51	40.77	42.03	22.00%	7.00%
16	334	339	32.21	33.40	34.57	35.75	36.93	38.11	39.29	22.00%	7.00%
15	326	333	30.10	31.21	32.31	33.40	34.51	35.61	36.72	22.00%	7.00%
14	317	325	28.13	29.17	30.19	31.22	32.25	33.28	34.31	22.00%	7.00%
13	311	316	26.29	27.26	28.22	29.18	30.14	31.10	32.07	22.00%	7.00%
12	281	310	24.57	25.48	26.37	27.27	28.17	29.07	29.97	22.00%	7.00%
11	256	280	22.96	23.81	24.64	25.48	26.32	27.16	28.01	22.00%	8.00%
10	226	255	21.26	22.05	22.82	23.59	24.37	25.15	25.93	22.00%	8.00%
9	201	225	19.68	20.41	21.12	21.84	22.56	23.28	24.01	22.00%	8.00%
8	148	200	18.23	18.90	19.57	20.23	20.90	21.57	22.24	22.00%	8.00%
7	126	147	16.87	17.49	18.11	18.72	19.34	19.96	20.58	22.00%	8.00%
6	109	125	15.64	16.22	16.79	17.36	17.93	18.50	19.08	22.00%	8.00%
5	105	108	14.47	15.01	15.53	16.06	16.59	17.12	17.65	22.00%	9.00%
4	101	104	13.28	13.77	14.25	14.74	15.22	15.71	16.20	22.00%	9.00%
3	97	100	12.18	12.63	13.07	13.52	13.96	14.41	14.86	22.00%	9.00%
2	94	96	11.18	11.59	12.00	12.41	12.82	13.23	13.64	22.00%	9.00%
1	90	93	10.25	10.63	11.00	11.38	11.75	12.13	12.50	22.00%	9.00%
			Step %	3.7%	3.5%	3.4%	3.3%	3.2%	3.1%		