

WORKING AGREEMENT
BETWEEN
CITY COUNCIL AND AFSCME LOCAL 1123
TWO HARBORS. MINNESOTA

1-1-2017 TO 12-31-2019

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**WORKING AGREEMENT BETWEEN CITY
COUNCIL AND CITY EMPLOYEES**

PREAMBLE

This agreement adopted by the Two Harbors City Council after discussion and negotiation with the American Federation of State, County and Municipal. Employees Union - AFL-CIO, Local Union No. 1123, as represented by AFSCME Council 5, shall include the employees in the Public Works Department, Liquor Store, Gas Departments, City Hall Office, Police Department, Sewage Plant, and Golf Course units but shall not include licensed law enforcement officers and the exclusions set forth under PERA (Minn. Stats. § 179A.01 *et. Seq.*).

ARTICLE 1 - POLICY AND RECOGNITION

Section 1. According to a resolution adopted February 10, 1947, the council recognized the right of its employees to organize and designate representatives of their own choosing to represent them, and free from any restraint, interference or coercion on the part of the Council or the supervisory staff and in recognition of said right, the council recognized Local No. 1123, American Federation of State, County, and Municipal Employees Union, AFL-CIO, as the exclusive representative of the employees of the City of Two Harbors, who have selected the union as their representative.

Section 2. The employees recognize an obligation to the City of Two Harbors to man all jobs and render honest and efficient performance of their duties. Any dispute arising between employees regarding a particular job shall be resolved by the department head delegating a particular job to the employee by inverse seniority.

Section 3. The Employer shall not, during the life of this agreement, meet and confer or meet and negotiate with any individual employees or with any other employee organization with respect to terms and conditions of employment of the employees covered by this agreement except through the union or its authorized representatives. The employer shall not assist or other wise encourage any other employee organization which seeks to bargain for employees covered by this agreement.

Section 4. Payroll deductions shall be made monthly from the salary of employees, upon presentation by AFSCME of authorized certification, from the Council 5 office, and said AFSCME dues shall be remitted to the AFSCME office within fifteen (15) days of payroll processing. The Employer shall deduct from the wages of any employee covered by this Agreement a Public Employees Organized to Promote Legislative Equality (PEOPLE) deduction as provided for in a written authorization voluntarily executed by the employee on a form mutually agreeable to the Employer and the Union. The deduction shall be discontinued upon reasonable advance written notice from the employee to the Employer. The Employer shall remit any deductions made pursuant to this provision monthly to the Union.

ARTICLE 2 - HOURS OF WORK, OVERTIME, STANDBY, CALLBACK

Section 1. Eight (8) hours shall constitute a normal workday.

Section 2. Forty (40) hours shall constitute a normal workweek.

Section 3. Overtime worked by employees shall be paid for on the basis of time and one-half the regular hourly rate and such employees shall not be required to take time off during the regular day for overtime worked or to be worked. All time worked by the employee which is outside of the regularly scheduled workday and workweek, shall be paid for at the overtime rate. Overtime in the Public Works Department shall be offered to employees on the basis of seniority and if no qualified employee accepts the overtime, qualified employees shall be required to work the overtime on the basis of reverse seniority.

Employees shall have the option of compensatory time off instead of pay for overtime worked. Compensatory time off may be accrued to a maximum of sixty (60) hours of time off (forty 40) hours worked. Compensatory time off shall be scheduled by mutual consent between the employee and his/her supervisor. Employees may carry over up to thirty (30) hours of compensatory time off from one year to the next. Pay for compensatory time over thirty (30) hours shall be paid on the first payday of the new year.

Section 4. When an employee reports for work in accordance with the schedule, without having been previously notified not to work, he shall receive a minimum of four hours work or four (4) hours pay in lieu, thereof.

Section 5. A minimum of four (4) hours shall be allowed to all employees who are called back to work after having been released from a regular day's work.

Section 6. All pre-arranged Sunday and holiday work shall be paid for at the rate of time and one-half with a four (4) hour minimum at such rate, except as provided for in the Waste Treatment Plant Shift Rotation Schedule, Addendum A, All employees shall receive a 35 cents per hour Sunday premium pay.

Section 7. Because of requirements of maintaining good service it is necessary to have employees on standby. Standby employees shall be able to be contacted by telephone no more than ten (10) miles from Two Harbors from October through April and can be thirty (30) miles from Two Harbors if able to be contacted by telephone from May through September, Employees required to be on standby on a Saturday or Sunday shall receive six (6) hours of straight time pay per day in addition to their regular pay. Employees required to be on stand by on a weekday shall receive two (2) hours of straight time pay per day in addition to their regular pay. A minimum of four (4) hours straight time pay shall be allowed per call out, in addition to standby pay, for all employees who are called back to work after regular working hours. The parties mutually agree that standby time will not commence until 12:01 a.m. Saturday unless otherwise agreed upon.

Section 8. Employees on standby for a regular seven (7) day week therefore would receive twenty-two (22) hours of regular straight time pay.

ARTICLE 3 - HOLIDAYS

Section 1. Each regularly assigned hourly and monthly rated employee shall receive eight (8) hours pay at the pro-rate hourly rate of the position to which assigned for each of the following enumerated holidays:

New Years Day	Labor Day
Martin Luther King's Birthday	Veterans Day
President's Day	Thanksgiving Day
Memorial Day	Christmas Eve Day
Fourth of July	Christmas Day

Any two working days each year with prior approval of an immediate Supervisor.

Each of the foregoing holidays is guaranteed to each regularly assigned employee whether or not the holiday falls on the workday of the workweek of the individual employee.

Employees working in the City Hall shall be allowed to take the Friday after Thanksgiving as a holiday. As a result of taking the Friday after Thanksgiving as a holiday, employees in the city Hall will work November 11, Veterans Day. The City Hall shall be closed to the public on November 11. For purposes of benefits, the Friday after Thanksgiving shall be the holiday for City Hall employees.

The City Council shall have the privilege of substituting the workday off which falls immediately prior to or immediately after the above-mentioned holidays.

Section 2. Employees who are scheduled off and are called back to work on a holiday are entitled to two times the hourly rate for holidays listed under this article. All pre-arranged holiday work shall be paid for at the double time rate with a four (4) hour minimum at such rate.

Section 3. An employee must work or be on authorized sick leave or vacation on the assigned day prior to or the assigned day after a paid holiday in order to be paid for the holiday.

ARTICLE 4 - VACATIONS

Section 1.

(a) Any employee who has been, continuously employed by the City for less than five years shall be credited with .834 days of vacation for his first and each additional full

month of service.

(b) After having been continuously employed for five years, such employee shall be credited with 1.25 days of vacation for each full month of service.

(c) After having been continuously employed for ten years, such employee shall be credited with 1.67 days of vacation for each full month of service.

(d) After having been continuously employed for seventeen years, such employee shall be credited with 2.08 days of vacation for each full month of service.

(e) After having been continuously employed for twenty-five years, such employee shall be credited with 2.5 days of vacation for each full month of service.

(f) Vacation time allowed under this section shall be at full pay. Employment for a period equal to or greater than $\frac{2}{3}$ of the total regular working time in any one month will be considered as a full month of service for purposes of computing vacation time credit.

(g) Employees shall earn vacation from their anniversary date, provided the rate of accrual for vacation shall be determined by using the employee's most recent date of hire. All vacation shall be used in the anniversary year following the anniversary date in which the vacation was earned.

(h) When an employee covered under this agreement retires under a PERA Qualified Retirement, they shall automatically receive an additional week of vacation regardless of the vacation step they are at upon retirement, unless they qualify for seven weeks as of December 31, 1991, in which case this section does not apply. All employees who are presently receiving seven weeks of vacation as of December 31, 1991, will continue to receive seven weeks of vacation until they retire.

Section 2. All vacations shall be granted through this procedure. During the month of December each year departmental employees, by seniority, may pick vacations for the following year. After January 1 of the following year, employees may pick vacation dates on a first come – first served basis without regard to seniority. The Department Head or City Administrator, for approval of vacation, shall be given as much advance notice as possible. The list of employees on vacation shall be posted at the City Hall, City Warehouse, City Gas Department, Sewage Disposal Plant and Liquor Store. Any employee called back to work because of an emergency while on vacation shall be paid at time and one-half for all time worked during such period- Employees called back to work shall be allowed equal amount of time off for time worked during their vacation period and shall have the right to select the period of time for the balance of their vacation.

Section 3. Employees who become hospitalized during their scheduled vacation can use sick leave for the period of such hospitalization plus a reasonable post-hospitalization recovery period, provided the employee submits proof of such hospitalization to his or her Department Head.

Section 4. If any employee's employment status is terminated for any reason whatsoever, including, but not limited to, retirement, resignation, or discharge, he shall, at the time of such termination, be granted full vacation pay earned up to the time he leaves The service, including pay for the vacation earned in the preceding year or years and not yet granted, and the vacation for the succeeding year if the employee has qualified under Article IV, Section 1, and has given a proper notice of at least two weeks.

Section 5. In the event any employee thus entitled to vacation pay earned shall die, the vacation pay earned and not received shall be paid to such beneficiary as may be designated, or in the absence of such designation, the surviving spouse, or children, or estate, in that order of preference.

Section 6. Any employee who retires with 100 working days in their last calendar year of work shall receive the full year's vacation for that calendar year.

Section 7. All employees shall be allowed to carry over one week of vacation into the following year. if any employee is not able to use their vacation, due to scheduling by management or a need to service the public, more than one week may be carried over.

ARTICLE 5 - SICK LEAVE

Section 1. Working time requirement for sick leave credit:

(a) Employees will be granted sick leave after six months of continuous service on the basis of two days of sick leave credit for each month of service accumulating from the date of employment. Employment for a period equal to or greater than 2/3 of the total regular working time in any month will be considered as a full month of service for the purpose of computing sick leave credit. No credit for a sick leave will accumulate during any month where service is less than the aforementioned amount. Authorized vacation time and authorized sick leave will be considered as working time in determining sick leave credit. United States Military Service will be considered as working time provided that the employee was a regular city employee at the time of entry into said service.

(b) An additional one day of sick leave fund not to be used unless the basic sick leave fund is exhausted and only for injuries or illness of the employees themselves will be accrued up to sixty (60) days.

(c) In addition to the sick leave accumulated under Section 1(a) above regular city employees having ten (10) years or more of accumulated service shall receive a credit of one additional day of sick leave per month of service, under the same rules established under Section 1(a) for a period of twenty-five (25) months after which time such special sick benefit shall terminate,

(d) Employees who are at the maximum sick leave accumulation level, who complete a calendar year without using a sick leave day, shall be granted one (1) additional floating

holiday for use in the succeeding year.

Section 2. Authorized Sick Leave

(a) Employees may utilize their allowance for sick leave on the basis of approved application for the following reasons:

1) Sickness of employee

2) Death, attendance of a funeral, serious illness or injury in immediate family requiring the care or attendance of the employee. The immediate family being held to the following: wife, husband, mother-in-law, father-in-law, sister, brother, mother, father, son, son-in-law, daughter, daughter-in-law, grandparents, grandchildren, aunt and uncle, step parents and step children.

3) Leave for funerals will be limited to five (5) days. Application for sick leave for any of the aforementioned reasons will be submitted to the department head or foreman in charge for approval. Sick leave applications may be submitted after the employee's return to work, but advance notification shall be given. If the employee's absence is to be charged to sick leave, the nature of the sick leave requested must be recorded on the regular form over the employee's signature. If the employee's absence is to be charged to sick leave on account of illness a doctor's certificate shall be required at the discretion of the department head.

(b) A record will be kept in the department head's office and a copy of same filed with the City Clerk showing the authorized sick leave granted each employee during each payroll period. Each employee will be furnished yearly statements showing the accumulated sick leave remaining to his credit. Authorized sick leave will be credited to an employee up to and including a total of 150 days.

Section 3. The privilege of this plan may be terminated by the Council to any employee who violates the spirit of this part after a hearing at which facts have been presented by parties involved.

ARTICLE 6 - SENIORITY

Section 1. Seniority standing shall be granted to all employees who have completed their probation period. This standing is to be determined on a basis of total length of continuous employment for the City of Two Harbors that each employee has beginning with the original date of employment.

Section 2. Seniority shall be broken or lost by employee's voluntary resignation from employment or by his discharge filed in writing for cause and after a hearing if requested by the employee.

Section 3. No seniority shall be broken or lost for an employee by illness, authorized leave of absence, or temporary layoff.

Section 4. Seniority shall be by department as follows: A City Hall Office Unit, a Public Works Unit, a Water & Gas Department Unit, a Liquor Store Unit, a Sewage Plant Unit, Police Department, Golf Course Unit and the Cemetery Unit. In the event of opportunity to transfer to another department, an employee shall have a thirty (30) trial period during which he may return to his original department and classification without seniority loss- Seniority lists shall be posted by January 10 of each year.

Section 5. There shall be no break in seniority because an employee is on vacation, sick leave, or other approved time off from employment

ARTICLE 7 - LAYOFF PROCEDURE

Section 1. In the case of reduction of forces or the total elimination of a position and its duties, a senior employee as defined by the seniority roster, may exert his or her seniority preference over a junior employee only on a departmental basis provided he or she qualifies to perform the duty of the job involved,

Section 2. The City shall provide two (2) weeks advance notice of any layoff to affected employee(s) and the Union. -

Section 3. In the event of a layoff, layoff shall be by seniority strictly in the inverse order of hiring and recall shall be according to seniority in the inverse order of layoff. Any employees to be restored to service will be notified by U.S registered or certified mail, telegram, or notice delivered to their last known address and shall report to work as soon as possible thereafter, but not later than fifteen (15) days from the date such notice is sent out. Employees who are recalled under this rule who fail to return to service in accordance with its provision will forfeit all seniority rights unless granted a leave of absence by the City Council. Pending the return to service of employees recalled to service under this rule, their positions may be filled by the senior available furloughed employee.

ARTICLE 8 - VACANCIES AND PROMOTION

Section 1. Notice of all vacancies and newly created positions shall be posted on employee bulletin boards and the employees shall be given seven (7) days time in which to make application to fill the vacancy or new position with the senior employee taking application being transferred to fill the vacancy or new position provided that determination of whether or not the employee so transferred has the necessary qualifications is made by the Council and appropriate department heads together. In the event the union does not concur in the determination as made, they may appeal on behalf of the applicant through the normal grievance procedure. Upon promotion to higher class, the employee promoted shall be given the prevailing rate for the new or higher classification beginning the day he assumes the new duties.

Qualified probationary employees may bid on posted positions. However, their bids will be considered only if there are no bids by qualified employees holding seniority within

City of Two Harbor's bargaining units. In the event two or more qualified probationary employees within the department are the only qualified bidders, the employee having the earliest date of hire shall be awarded the position. In the event no probationary employees from within the department bid on the job, qualified non departmental, bargaining unit probationary employees may be allowed to bid, with the employee holding the earliest date of hire awarded the position.

Section 2. An employee holding any bulletined job may perform other duties, but his bulletin job shall not be performed by any other employee if said employee is available to do his normal duties.

Section 3. If an employee covered under this bargaining agreement is in a department where a vacancy exists, that employee shall be allowed first rights to bid on that vacant position by seniority. If an employee in that department does not choose to fill that vacancy, the opportunity shall be first offered by seniority to employees covered under this collective bargaining agreement before anyone else has the opportunity.

ARTICLE 9 - DISCHARGE AND DISCIPLINE

Section 1. Discharge, demotions, or transfers to a lower classification shall be made upon request of an employee, or if instituted by the City shall be only for just cause after opportunity for a hearing.

The Employer shall discipline for cause only, and agrees to the concept of progressive discipline. Discipline shall be in one or more of the following forms and the process may start at any appropriate level.

- Oral reprimand
- Written reprimand
- Suspension
- Demotion
- Discharge

Section 2. Discharge of new employees during their probation period shall be by a majority vote of all members of the City Council upon written recommendation to the involved department head.

Section 3. Any complaint against a regular city employee shall be served upon said employee in writing and a copy filed with the City Administrator and must be signed by a department head and/or a Councilman and be only for just cause- The Council, upon receiving the complaint (which shall not have remained in the City Administrator's possession for more than ten days), shall set the date for a hearing within fifteen (15) days of receiving said complaint. The complainant must appear in person. Upon hearing all the facts, the City Council shall tender a written decision and notify said employee within thirty (30) days of receiving the complaint. Should an employee not desire a hearing, he shall notify the City Administrator in writing within five (5) days of receiving written complaint and no hearing shall be established by the Council. Should the Union, as a representative in behalf of said employee, feel the action was taken without cause,

it shall have the right of appeal as specified under the normal grievance procedure where the decision of the panel (Article X, Section 1. Step d;) is accepted as final and binding by both the city and the employee and his union.

ARTICLE 10 - GRIEVANCE PROCEDURE

Section 1. All disputes or grievance which arise as to the interpretation of or the adherence to the provisions of the contract shall be settled in the following manner:

(a) First, an effort shall be made within five (5) days of the day of occurrence to adjust the grievance between the employee and Department Head.

(h) In the event no settlement is reached with ten (10) days, the grievance committee of the Union and City shall discuss the matter and attempt to settle it.

c) Duly authorized representatives of the Union shall have the right to accompany the Union Grievance Committee at all times in the discussion of adjustment of grievance.

(d) If all efforts to settle a dispute involving any matters are not satisfactorily resolved within thirty (30) days of occurrence of grievance or complaint, then the matter shall be submitted to an arbitration. A list of five (5) arbitrators shall be requested by the Union from the Bureau of Mediation Services and each party shall alternately strike two names from the list, in accordance with the Public Employment Labor Relations Act of 1971, amended 1973. The decision of the arbitrator shall be final and binding on all parties involved.

ARTICLE 11 - UNION ACTIVITY

Section 1- Any employee elected by the union to represent such union at international, state or district meetings, and which requires his absence from duty, shall be granted the necessary time off to attend such meetings without pay and without discrimination and without loss of seniority rights or any other rights granted by the employer, provided such absence does not interfere with the services of the particular department.

Section 2. The Union shall be permitted the use of employee bulletin boards located on the premises of the employer for the posted matter of interest to its members providing it is not political.

Section 3. Representatives of the American Federation of State, County, and Municipal Employees shall have access to the premises of the employer at reasonable times and subject to reasonable rules to investigate grievances and other problems with which he or she is concerned or to council new employees for a reasonable period of time, provided permission is requested from the department head.

ARTICLE 12 - GENERAL PROVISIONS

Section 1. Jury Duty. Any employee called and required to serve upon a jury shall be paid the difference in wages and jury pay to afford him full salary.

Section 2. Maternity Leave. Maternity leaves of absence shall be granted to all employees with probationary or permanent status when requested because of pregnancy. The City may require prior notice to determine the commencement date of maternity leave. In determining the commencement dates of maternity leaves, the City shall review each request on its individual merits, taking into consideration individual duties, efficiency, health or welfare of the employee or child, or other relevant material. The City shall not discriminate based on sex. The City is required to give the employee up to six months maternity leave of absence whether or not leave of absence is granted for illness. Following childbirth, and upon signifying his/her intent to return with at least two weeks' notice and within the six months leave of absence period, such employee shall be reinstated to his/her original job or to a position of like status and pay. The City may require the employee to produce medical certification that he/she is fit for work before returning to the job. All maternity leave benefits shall apply to both married and unmarried employees. -

Section 3. The City shall reimburse all employees required to obtain or renew a Class A or B driver's license for the amount over the cost of a Class C driver's license.

Section 4. In the event an employee is injured while performing work for the Employer, the Employer shall reimburse such an employee the difference between the Worker's Compensation received and his/her regular wages for a period of six (6) months.

Section 5. An employee in this Bargaining Unit who qualifies for safety glasses under City Policy, Resolution No. 11-71-98, shall be entitled to twenty-five dollars (\$25.00) in addition to the amount provided under City Policy for reimbursement.

Section 6. An employee, who works three (3) or more hours of overtime, will be provided a meal at the City's expense. The value of the meal shall be limited to \$8.00 and the employee must have department head approval. During an extended period of overtime work, meals will be provided at intervals not to exceed five (5) hours commencing with the first meal. This provision applies to unscheduled overtime.

Section 7. The City of Two Harbors agrees to offer a full flexible spending plan for the employees covered in this collective bargaining agreement.

ARTICLE 13 - EMPLOYEES GROUP INSURANCE

Section 1. The city shall pay ninety percent (90%) of the premium for the single or family insurance. The employees shall pay ten percent (10%) of the single or family insurance. Starting in 2019, the City shall pay eighty five percent (85) of the premium for single or family health insurance. The employee shall pay fifteen percent (15) of the single or family health insurance. Each open enrollment period, employees shall choose the \$150/\$300 plan or the \$3000/\$6000 plan.

The City's contribution to the deductible in the HSA is based upon an employee taking the plan for the term of the agreement; however, employees may choose a plan each enrollment period. If an employee goes into the high deductible plan in 2018 or 2019 the City's contribution will be what it is for 2018 or 2019 respectively. New employees electing the high deductible health insurance plan, hired during the term of this agreement will receive the 2017, 2018 and 2019 HSA contribution steps.

Section 2. Each regular City employee will be provided with \$30,000 group term life insurance and a group disability insurance policy to provide coverage for at least 66 2/3% of the employee's monthly wage to age 65. An employee, at his/her option, may elect to purchase at his/her own cost up to an additional \$10,000 term life insurance under the City Group Term Life Plan.

Section 3. The City shall fully pay for a full family dental health insurance plan and the current benefits and benefit levels shall not change during the life of this agreement.

Section 4. If any employee is on work status for any day of a month the employee shall be entitled to City health insurance and the City shall pay its share of the health insurance premium for that month.

Section 5. The insurance plan effective in 2013 is described in Addendum "G" attached hereto.

ARTICLE 14 - WAGES

Section 1. The regular City employees shall be compensated according to the salary classification schedule attached herein and effective January 1, 2015

Section 2. The positions of EDP Tech/Clerk, Administrative Assistant, Police Records Clerk, and City Hall Receptionist Clerk shall be established in a monthly pay plan with the normal work year being 2080 hours. In any year in which employees are required to work in excess of 2080 hours, they shall be additionally compensated for such hours of work. The normal workweek for monthly paid employees shall be forty (40) hours with the normal work month being 173.33 hours. However, any hours worked less than forty (40) per week shall be correspondingly reduced from monthly pay for loss of time not covered by vacation, holidays, sick leave, or other provision covered in this agreement.

Section 3. When an employee replaces another who is in a higher pay bracket, covered by this bargaining agreement, the replacement shall receive the same pay as the employee being replaced. The City also agrees that it will not assign employees to work in classifications that are covered by another collective bargaining agreement.

The Police Records Clerk shall be allowed up to two-hundred dollars per calendar year for uniform replacement allowance. The allowance will be paid upon prior approval by the immediate supervisor and submission of a receipt by the employee. Uniform allowance subject to voucher approval.

Employees in Public Works, Water & Gas and Waste Water Treatment shall be granted one hundred dollars (\$100.00) in clothing allowance each year. Payment will be made upon submission of a receipt by the employee. Beginning in 2017, employees may roll over the \$100 clothing allowance for a total of \$200. In the event the \$200 is not used by the end of the second year, the employee shall lose any remaining allowance. Employees shall have the option of using the entire \$200 clothing allowance during year one, in which case there shall be no clothing allowance during the second year.

Section 4. It is understood by the parties that the employee holding the position of Janitor shall be allowed a City vehicle to perform the duties of their position.

Section 5. The City shall pay up to three persons in the Public Works Department an additional \$0.50 per hour for holding "Competent Person" status as defined by the United States Department of Labor, Occupational Safety and Health Administration, 051-IA 29 CFR 1926. Subpart P, Excavations. The Superintendent of Public Works shall be responsible for selecting the individuals to receive "Competent Person" pay

ARTICLE 15 - SHIFT DIFFERENTIAL PAY

All regular City employees required to work a shift commencing between 2:30 PM and 10:30 PM shall be paid thirty-five (35) cents per hour in addition to his regular pay, and each employee required to work a shift commencing between 10:30 PM and 4:00 AM he paid forty-five (45) cents per hour in addition to his regular pay; employees in the Waste Treatment Plant required to work a shift commencing between 7:00 PM and 3:00 AM shall be paid forty-five (45) cents per hour in addition to his regular pay; and said employees shall be paid said additional pay while on vacation if the employee normally is assigned hours which qualify him for shift differential pay, and said amount to be determined by the shift worked immediately before vacation pay begins.

ARTICLE 16 – SEVERANCE PAY

Upon retirement from the City under provisions of a PERA qualified retirement, an employee shall have the option to receive sixty percent (60%) of the balance of accrued unused sick leave, in money at present rate of pay, applied to their Health Care Savings Plan as provided for in Article 17, Health Care Savings Plan. In the event of the death of the retired employee, the employee's spouse shall receive the benefit of such insurance payment until the funds are exhausted or the spouse remarries.

Section 2. When an employee retires in accordance with the Minnesota Public Employee's Retirement act and Social Security, and such employee is not eligible for Medicare, the City shall allow the retired employee to stay on the City group insurance and the City shall pay the premiums for a period not to exceed three (3) years. After three (3) years the employee may choose to remain covered by the Cities group insurance by self-paying the premiums until Medicare eligibility. Any employee, as of January 1, 2017, who has remained covered by the Cities dental insurance beyond the three (3) year period after retirement shall be grandfathered and may remain covered by the dental insurance. All future retired employees' shall not be allowed to remain on any of the Cities insurance plans beyond Medicare eligibility.

Section 3. In the event of a death of both employee and their spouse, any monies the employee and/or their spouse are entitled to shall automatically revert to the employee's estate.

ARTICLE 17 – HEALTH CARE SAVINGS PLAN

(A) Employee Participation in the MN HCSP will remain in effect until amended or repealed through agreement between the City and the Union. The Plan will be administered as per provisions of MN statutes 352.98 and is subject to the fees, regulations and conditions established by the Plan Administrator and the MN State Retirement System. Participation by all employees covered by this Agreement is mandatory. Payroll deductions, if any, shall be made each semi monthly pay period. Each employee shall have an amount deducted from his/her gross semi monthly pay as a contribution to the HCSP in the amount the Association notifies the City Administrator to deduct. Each employee eligible for a final vacation pay out and severance pay shall contribute those sums of money into the employees HCSP. The City shall not make any contributions on behalf of eligible employee into the HCSP. Any changes to MN Statutes 352.98 shall automatically apply to the Plan and may affect the above described terms and conditions.

ARTICLE 18 – MANAGERMENTS RIGHTS

Section 1. As provided for in MN Stats, 179A.07, the Employer and Union agree that except as expressly modified in this Agreement, the Employer has and retains all rights and authority necessary for it to direct and administer the affairs of the Employer.

ARTICLE 19 - DURATION OF AGREEMENT

Section 1. The conditions herein set forth constitute the entire and complete Working Agreement of Local Union No. 1123. All new matter herein contained shall be effective as of January 1, 2017, and shall remain in effect through December 31, 2019.

Section 2. Should the employees, through their representatives, desire a change or changes in the agreement, they shall make a request to negotiate by the First Monday of October of the year in which the contract expires.

Signed this 24th day of April 2017,




President, City Council



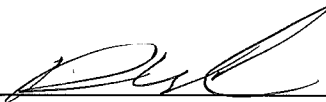
President, AFSCME Local 1123



Chairman, Finance Committee



Director, Council-5



Administrator



Business Representative

ADDENDUM "A"

SHIFT ROTATION - WASTE TREATMENT PLANT

	SUN	MON	TUES	WEDS	THURS	FRI	SAT
Shift I	Off	Day	Day	Day	Off	Day	Day
Shift II	Day	Day	Day	Day	Day	Off	Off
Shift III	Off	PM	PM	PM	PM	PM	Off

Day Shift Hours
PM Shift Hours

7:00 AM - 3:00 PM
3:00 PM - 11:00 PM

ADDENDUM "B" – 2017 HOURLY PAY

	START (Probation)	BASE (6 MOS)
I Assistant Public Works Dir.* Assistant Water & Gas Sewer Supt.* Assistant Waste Water Treatment Superintendent* Parks Operations & Maintenance	\$22.75	\$24.47
II Heavy Equipment Operator Mechanic Water & Gas Dist. Maint. W/W Treat. Plant. Opr. (B License) Building Repairs & Maintenance Painting Cemetery Caretaker (5 years & over)	\$21.28	\$22.98
III W/W Treat. Plant. Asst. Opr. Cemetery Caretaker	\$21.02	\$22.52
IV Light Equipment Operator Liquor Clerks Carpenter Aide Golf Course Maintenance Lead worker	\$20.42	\$22.06
V Laborer Custodian Golf Course Maintenance Worker	\$19.97	\$21.57
VI Part-time Permanent Seasonal Liquor Store Clerk (No benefits) Part-time Permanent City Hall Receptionist Clerk (No benefits)		\$19.04 \$19.04

*These positions will be filled through competitive examination in accordance with the practices followed prior to 7-19-94 by the City of Two Harbors.

LONGEVITY STEPS:

4 years - 2% of Base

8 years - 4% of Base

12years - 6% of Base

16years - 8% of Base

20 years -10% of Base

ADDENDUM "B" – 2018 HOURLY PAY

	START (Probation)	BASE (6 MOS)
I Assistant Public Works Dir.* Assistant Water & Gas Sewer Supt.* Assistant Waste Water Treatment Superintendent* Parks Operations & Maintenance	\$23.2108	\$24.96
II Heavy Equipment Operator Mechanic Water & Gas Dist. Maint. W/W Treat. Plant. Opr. (B License) Building Repairs & Maintenance Painting Cemetery Caretaker (5 years & over)	\$21.71	\$23.44
III W/W Treat. Plant. Asst. Opr. Cemetery Caretaker	\$21.44	\$22.97
IV Light Equipment Operator Liquor Clerks Carpenter Aide Golf Course Maintenance Lead worker	\$20.83	\$22.51
V Laborer Custodian Golf Course Maintenance Worker	\$20.37	\$22.01
VI Part-time Permanent Seasonal Liquor Store Clerk (No benefits) Part-time Permanent City Hall Receptionist Clerk (No benefits)		\$19.42 \$19.42

*These positions will be filled through competitive examination in accordance with the practices followed prior to 7-19-94 by the City of Two Harbors.

LONGEVITY STEPS:

4 years - 2% of Base

8 years - 4% of Base

12years - 6% of Base

16years - 8% of Base

20 years -10% of Base

ADDENDUM "B" – 2019 HOURLY PAY

	START (Probation)	BASE (6 MOS)
I Assistant Public Works Dir.* Assistant Water & Gas Sewer Supt.* Assistant Waste Water Treatment Superintendent* Parks Operations & Maintenance	\$23.79	\$25.59
II Heavy Equipment Operator Mechanic Water & Gas Dist. Maint. W/W Treat. Plant. Opr. (B License) Building Repairs & Maintenance Painting Cemetery Caretaker (5 years & over)	\$22.26	\$24.03
III W/W Treat. Plant. Asst. Opr. Cemetery Caretaker	\$21.98	\$23.54
IV Light Equipment Operator Liquor Clerks Carpenter Aide Golf Course Maintenance Lead worker	\$21.35	\$23.08
V Laborer Custodian Golf Course Maintenance Worker	\$20.88	\$22.56
VI Part-time Permanent Seasonal Liquor Store Clerk (No benefits) Part-time Permanent City Hall Receptionist Clerk (No benefits)		\$19.91 \$19.91

*These positions will be filled through competitive examination in accordance with the practices followed prior to 7-19-94 by the City of Two Harbors.

LONGEVITY STEPS:

4 years - 2% of Base

8 years - 4% of Base

12years - 6% of Base

16years - 8% of Base

20 years -10% of Base

ADDENDUM "C" – 2017 and 2018 HOURLY/MONTHLY PAY

GROUP	2017 - CLASS TITLE	START (Probation) STEP I hr/Mo	BASE (6 MOS) STEP 2 Hr/Mo
I	Asst. Finance Dir.*	\$23.09/\$4,002	\$24.70/\$4,281
II	EDP/Tech Clerk Police Records Clerk	\$21.22/\$3,678	\$22.84/\$3,959
III	Police Records Clerk With Evidence Tech. Cert.	\$21.72/\$3,765	\$23.34/\$4,132
IV	City Hall Receptionist Clerk	\$18.84/\$3,266	\$20.14/\$3,491
GROUP	2018 - CLASS TITLE	START (Probation) STEP I hr/Mo	BASE (6 MOS) STEP 2 Hr/Mo
I	Asst. Finance Dir.*	\$23.56/\$4,084	\$25.20/\$4,368
II	EDP/Tech Clerk Police Records Clerk	\$21.65/\$3,753	\$23.30/\$4,039
III	Police Records Clerk With Evidence Tech. Cert.	\$22.40/\$3,883	\$24.06/\$4,170
IV	City Hall Receptionist Clerk	\$19.22/\$3,331	\$20.55/\$3,562

*These positions will be filled through competitive examination in accordance with the practices followed prior to 7-19-94 by the City of Two Harbors.

LONGEVITY STEPS:

4 years - 2% of Base
8 years - 4% of Base
12 years - 6% of Base
16 years - 8% of Base
20 years - 10% of Base

ADDENDUM "C" – 2019

HOURLY/MONTHLY PAY

GROUP	2019	START	BASE
	CLASS TITLE	(Probation) STEP I hr/Mo	(6 MOS) STEP 2 Hr/Mo
I	Asst. Finance Dir.*	\$24.15/\$4,186	\$25.83/\$4,477
II	EDP/Tech Clerk Police Records Clerk	\$22.20/\$3,848	\$23.89/\$4,141
III	Police Records Clerk With Evidence Tech. Cert.	\$22.97/\$3,981	\$24.64/\$4,271
IV	City Hall Receptionist Clerk	\$19.70/\$3,415	\$21.07/\$3,652
	2016	START	BASE
	-	(Probation)	(6 MOS)

*These positions will be filled through competitive examination in accordance with the practices followed prior to 7-19-94 by the City of Two Harbors.

LONGEVITY STEPS:

- 4 years - 2% of Base
- 8 years - 4% of Base
- 12 years - 6% of Base
- 16 years - 8% of Base
- 20 years - 10% of Base

Addendum "D"

City of Two Harbors
\$150 Deductible CMM Plan

THIS IS ONLY A SUMMARY AND IS SUBJECT TO THE TERMS OF THE CONTRACT**

Calendar Year Deductible	\$150 Single	\$300 Family
Medical and Prescription Calendar Year Out-of-Pocket Maximum	\$300 Single	\$600 Family
Non-covered charges and charges in excess of our allowed amount do not apply to the out-of-pocket maximum.		
Coinsurance	Deductible then 80% coinsurance	
Benefit Payment Levels	Payment for Participating Network providers as described. If non-participating provider services are covered, you are responsible for the difference between the billed charges and allowed amount. Most payments are based on allowed amounts.	
Lifetime Maximum per Person	Unlimited	
Dependent Child Age Limit	To age 26; through the calendar month of the birthday.	

COVERED CHARGES

BENEFIT PAYMENT

Preventive Care

• Well Child Care through age 6	100%
• Prenatal Care	100%
• Routine Physicals ages 6 and older	100%
• Office Visits	100%
• Cancer Screening	100%
• Routine Hearing and Vision Exams	100%
• Routine lab and x-ray services	100%
• Immunizations and Vaccinations	100%

Physician Services

• In-Hospital Medical visits	Deductible then 80% coinsurance
• Surgery and Anesthesia	Deductible then 80% coinsurance
• Inpatient Lab and X-rays, etc.	Deductible then 80% coinsurance
• Office Visits for Illness or Injury	Deductible then 80% coinsurance
• Urgent Care (Clinic Based)	Deductible then 80% coinsurance
• Outpatient Lab and X-ray	Deductible then 80% coinsurance
• Allergy Injections and Serum	Deductible then 80% coinsurance

Other Professional Services

• Chiropractic Care	Deductible then 80% coinsurance
• Home Health Care	Deductible then 80% coinsurance
• Physical Therapy	Deductible then 80% coinsurance
• Occupational Therapy	Deductible then 80% coinsurance

• Speech Therapy
COVERED CHARGES

Deductible then 80% coinsurance
BENEFIT PAYMENT

Inpatient Hospital Services
 365 days of medically necessary care in an average semi-private room.

Deductible then 80% coinsurance

Outpatient Hospital Services

- | | |
|---|---------------------------------|
| • Diagnostic tests | Deductible then 80% coinsurance |
| • Pre-admission Tests and Exams | Deductible then 80% coinsurance |
| • Lab and X-ray | Deductible then 80% coinsurance |
| • Chemotherapy & Radiation Therapy | Deductible then 80% coinsurance |
| • Physical, Occupational & Speech Therapy | Deductible then 80% coinsurance |
| • Kidney Dialysis | Deductible then 80% coinsurance |
| • Scheduled Outpatient Surgery | Deductible then 80% coinsurance |
| • Non-emergency, illness related visits | Deductible then 80% coinsurance |
| • Urgent Care (Hospital Based) | Deductible then 80% coinsurance |

Emergency Care

- | | |
|---|---------------------------------|
| • Emergency Room | Deductible then 80% coinsurance |
| • Physician Services | Deductible then 80% coinsurance |
| • Ambulance | Deductible then 80% coinsurance |
| Medically necessary transport to nearest facility | |
| • Medical Supplies | Deductible then 80% coinsurance |

Behavioral Health Care (Mental Health and Chemical Dependency Care)

- | | |
|---------------------|---------------------------------|
| • Inpatient Care | Deductible then 80% coinsurance |
| • Outpatient Care | Deductible then 80% coinsurance |
| • Professional Care | Deductible then 80% coinsurance |

Prescription drugs

- | | |
|--------------------------|---|
| • Retail – 31 day limit | Deductible then 80% coinsurance
Open formulary |
| • 90dayRx – 90 day limit | Deductible then 80% coinsurance
Open formulary |

**This is only an outline of plan benefits. The Contract and certificate include complete details of what is and isn't covered. Services not covered include items primarily used for non-medical purposes, over-the-counter drugs/nutritional supplements, services that are complementary, experimental, not medically necessary, or covered by workers' compensation or no-fault auto insurance. We feature a large network of health care providers. Each provider is an independent contractor and is not our agent.

Empower HSA National ONE

City of Two Harbors Effective 1/1/17 \$3,000-100% HSA Plan ALT

High Deductible Plan (HDHP)

This plan is intended to qualify as a high deductible health plan that may be paired with an HSA; however, you should check with your tax advisor for guidance on your particular situation.

The following is an overview of your coverage. Where there is a flat dollar amount (\$) listed, this is a copayment. Where there is a percentage amount (%), this is coinsurance. For exact coverage terms and conditions, consult your plan materials, or call Member Services at 952-883-5000 or 800-883-2177.

Plan highlights	in-network: Open Access	Out-of-network
Partial listing of covered services	Care from a network provider	Care from out-of-network
Deductible and out-of-pocket		
Lifetime maximum	Unlimited	Unlimited
	\$3,000 per person	\$6,000 per person
Calendar year deductible**	\$6,000 per family	\$12,000 per family
Calendar year out-of-pocket maximum**	\$3,000 per person	\$12,000 per person
	\$6,000 per family	\$24,000 per family

**For Embedded deductible plans the Individual embedded deductible has to be at least the family minimum \$2,600

Preventive Health Care

Routine physical, eye exams & postnatal care	You pay nothing	You pay 20% after deductible
Prenatal & well-child care	You pay nothing	In-network benefit
Immunizations	You pay nothing	You pay 20% after deductible

Office Visits

Illness or injury, mental/chemical health care	You pay nothing after deductible	You pay 20% after deductible
Physical, occupational and speech therapy	You pay nothing after deductible	You pay 20% after deductible
Chiropractic care	You pay nothing after deductible	You pay 20% after deductible
Allergy injections	You pay nothing after deductible	You pay 20% after deductible

Convenience Care

Convenience clinics (retail clinics), eVisits	You pay nothing after deductible	You pay 20% after deductible
On-line care – virtuell	Same as Convenience Care benefit	You pay 100% - no coverage

Emergency Care

Urgently needed care at an urgent care clinic or medical center	You pay nothing after deductible	You pay 20% after deductible
Emergency care at a hospital ER	You pay nothing after deductible	In-network benefit
Ambulance	You pay nothing after deductible	In-network benefit

Inpatient Hospital Care

Illness or injury, mental/chemical health	You pay nothing after deductible	You pay 20% after deductible
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Outpatient Care

Scheduled outpatient procedures	You pay nothing after deductible	You pay 20% after deductible
Outpatient MRI and CT scan	You pay nothing after deductible	You pay 20% after deductible

Durable Medical Equipment

Durable Medical equipment & prosthetics	You pay nothing after deductible	You pay 20% after deductible
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Pharmacy PreferredRx formulary 31 day

Pharmacies

Supply; 9d1 day supply for mail order

Retail Coinsurance

HealthPartners Mail Order Coinsurance

Specialty

Specialty drugs

Participating Pharmacies Non-Participating

Pharmacy benefits do not include all drug classes. See plan materials for additional information.

You pay nothing after deductible	You pay 20% after deductible
You pay nothing after deductible	
See Specialty drug list on healthpartners.com	
Refer to retail benefit	You pay 20% after deductible

Summary of utilization management programs

Your plan utilization management programs help ensure effective, accessible and high quality health care. These programs are based on the most up-to-date medical evidence to evaluate appropriate levels of care and establish guidelines for medical practices. Our programs include activities to reduce the underuse, overuse and misuse of health services. These programs include: inpatient concurrent review and care coordination to support timely care and ensure a safe and timely transition from the hospital, "best practice" care guidelines for selected kinds of care, outpatient case management to provide care coordination, the CareCheck program to coordinate out-of-network hospitalizations and certain services.

We require prior approval for a small number of services and procedures. For a complete list, go to healthpartners.com or call member services. You must call CareCheck at 952-883-5800 or 800-942-4872 to receive maximum benefits when using out-of-network providers for in-patient hospital stays; same-day surgery; new or experimental or reconstructive outpatient technologies or procedures; durable medical equipment or prosthetics costing more than \$3,000; home health services after your visits exceed 30; and skilled nursing facility stays. We will review your proposed treatment plan, determine length of stay, approve additional days when needed and review the quality and appropriateness of the care you receive. Benefits will be reduced by 20% if CareCheck is not notified.

Our approach to protecting personal information

Your plan complies with federal and state laws regarding the confidentiality of medical records and personal information about our members and former members. Our policies and procedures help ensure that the collection, use and disclosure of information complies with the. When needed, we get consent or authorization from our members (or an approved member representative when the member is unable to give consent or authorization) for release of personal information. We give members access to their own information consistent with applicable law and standards. Our policies and practices support appropriate and effective use of information, internally and externally, and enable us to serve and improve the health of our members, our patients and the community, while being sensitive to privacy. For a copy of our privacy notice please visit healthpartners.com or call member services at 952-883-5000 or 800-883-2177. Please contact your provider for a copy of the plans privacy notice.

Appropriate use and coverage of prescription medications

A formulary is a preferred list of prescription drugs that has been reviewed and approved for coverage based on quality, safety, effectiveness and value. A special program that helps members who use many different medications avoid unintended drug interactions. The formulary is available on healthpartners.com, along with information on how drugs are reviewed; the criteria used to determine which drugs are added to the list, and more. You may also get this information from [REDACTED]

Services not covered

After you enroll you will receive a Group Membership Contract that explains exact coverage term and conditions. *This plan does not cover all health care expenses.* In general, services not provided or directed by a licensed physician are not covered. The following is a *summary* of excluded or limited items:

- Treatment, services or procedures which are experimental, investigative or not medically necessary
- Dental care or oral surgery
- Non-rehabilitative chiropractic services
- Eyeglasses, contact lenses, hearing aids and their fittings
- Private-duty nursing; rest, respite and custodial care†
- Cosmetic surgery†
- Vocational rehabilitation; recreational or educational therapy
- Sterilization reversal and artificial conception processes†
- Physical, mental or substance-abuse examinations done or ordered by third parties†
- Drugs for acid reflux and stomach ulcers, non-sedating antihistamines, infertility medications and erectile dysfunction medications*

†Except as specifically described in your Group Membership Contract or Summary Plan description

*This exclusion only applies to groups electing the GenericsPlusRx Formulary

THIS PLAN MAY NOT COVER ALL YOUR HEALTH CARE EXPENSES. READ YOUR GROUP MEMBERSHIP CONTRACT OR SUMMARY PLAN DESCRIPTION CAREFULLY TO DETERMINE WHICH EXPENSES ARE COVERED. For details about benefits and services, call Member Services at 952-883-5000 or 800-883-2177.

