

LABOR AGREEMENT BETWEEN  
CITY OF TWO HARBORS, MINNESOTA AND AFSCME LOCAL 1123

1-1- 2021 TO 12-31-2023

## TABLE OF CONTENTS

PREAMBLE .....	3
ARTICLE 1 - POLICY AND RECOGNITION.....	3
ARTICLE 2 - HOURS OF WORK, OVERTIME, STANDBY, CALLBACK.....	3
ARTICLE 3 - HOLIDAYS .....	4
ARTICLE 4 - VACATIONS.....	5
ARTICLE 5 - SICK LEAVE.....	6
ARTICLE 6 - SENIORITY.....	8
ARTICLE 7 - LAYOFF PROCEDURE .....	8
ARTICLE 8 - VACANCIES AND PROMOTION.....	9
ARTICLE 9 - DISCHARGE AND DISCIPLINE.....	9
ARTICLE 10 - GRIEVANCE PROCEDURE .....	10
ARTICLE 11 - UNION ACTIVITY.....	11
ARTICLE 12 - GENERAL PROVISIONS.....	11
ARTICLE 13 - EMPLOYEES GROUP INSURANCE.....	12
ARTICLE 14 - WAGES.....	13
ARTICLE 15 - SHIFT DIFFERENTIAL PAY.....	14
ARTICLE 16 - SEVERANCE PAY.....	14
ARTICLE 17 - HEALTH CARE SAVINGS PLAN .....	15
ARTICLE 18 - MANAGER'S RIGHTS .....	15
ARTICLE 19 - DURATION OF AGREEMENT.....	15
ADDENDUM A – 2021-2023 HOURLY PAY .....	17
ADDENDUM B – 2021-2023 HOURLY / MONTHLY PAY .....	20
ADDENDUM C.....	23

## PREAMBLE

This agreement adopted by the City of Two Harbors 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, but shall not include licensed law enforcement officers and the exclusions set forth under PELRA (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 (Employer), who have selected membership and the union as their representative.

Section 2. The employees recognize an obligation to the Employer to staff all jobs and render safe, 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 based on qualifications to perform the job 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 (except as provided for under Janus) 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 otherwise 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/she 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, except for Sunday work at the Liquor Store, shall be paid for at the rate of time and one-half with a four (4) hour minimum at such rate. All employees, except for Liquor Store employees, shall receive a \$.35 cents per hour Sunday premium pay. All Liquor Store employees shall receive a \$.50 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 a flat daily rate of \$150.00 per day in addition to their regular pay. Employees required to be on stand by on a weekday shall receive a flat daily rate of \$90.00 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 at 3:30 P.M. Friday until 7:00 A.M. the following Friday.

### 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 Year's Day  
Martin Luther King's Birthday  
President's Day  
Memorial Day  
Independence Day

Labor Day  
Thanksgiving Day  
Friday after Thanksgiving Day  
Christmas Eve Day  
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.

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.

Employees who are scheduled off and are called back to work, other than those holidays observed on Mondays, are entitled to two times the hourly rate for holidays listed under this article. Specifically, for New Year's Day January 1, Independence Day July 4, Thanksgiving Day, Friday after Thanksgiving Day, Christmas Eve Day December 24, and Christmas Day December 25 call out work will be paid on the actual date of the holiday. Observed Monday holidays include Martin Luther King's Birthday, Memorial Day, Labor Day.

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) All employees will be eligible for paid vacations at their regular rate of compensation, pursuant to the following schedule, upon the employee's anniversary date:

- After one (1) year of service - 80 hours, (10) working days
- After five (5) years of service - 120 hours, fifteen (15) working days
- After ten (10) years of service - 160 hours, twenty (20) working days
- After seventeen (17) years of service - 200 hours, twenty - five (25) days
- After twenty - five (25) years of service - 240 hours, thirty (30) working days

(b) 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.

(c) 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/she shall, at the time of such termination, be granted full vacation pay earned up to the time he/she 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 sixteen (16) hours 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 eight (8) hours 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, four hundred eighty (480) hours.
- (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 eight (8) hour 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 forty (40) hours, five (5) days. Application for sick leave for any of the aforementioned reasons will be submitted to the department head or foreperson 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 twelve hundred (1,200) hours, 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 Employer that each employee has beginning with the original date of employment.

Section 2. Seniority shall be broken or lost by the employee's voluntary resignation from employment or by his/her 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 Gas Department Unit, a Liquor Store Unit, a Sewage Plant Unit, Police Department, 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. Employer 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 Employer'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/her 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 Employer 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 City Councilor 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/she 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 on 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 Employer 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) An employee claiming a violation concerning the interpretation or application of this Agreement shall, within five (5) 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 grievance 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, the remedy requested, and shall be appealed to step 2 within ten (10) days after the Employer - designated representative's final answer in Step 1.

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

- (b) Any grievance not appealed in writing to Step 2 by the Union within ten (10) calendar days shall be considered waived.
- (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/her 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/her 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 Employer may require prior notice to determine the commencement date of maternity leave. In determining the commencement dates of maternity leaves, the Employer 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 Employer shall not discriminate based on sex. The Employer 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 Employer 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 Employer 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 Fifty dollars (\$50.00) 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 Employer'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 Employer agrees to offer a full flexible spending plan for the employees covered in this collective bargaining agreement.

#### ARTICLE 13 - EMPLOYEES GROUP INSURANCE

Section 1. Each open enrollment period, employees shall choose the \$150/\$300 plan or the \$3000/\$6000 plan.

In calendar years 2021, 2022, and 2023, the Employer will pay the following for calendar years 2021, 2022, and 2023 premiums, respectively, for employees enrolled in an Employer-provided group health insurance plan option:

- In calendar year 2021, for employees enrolled in any Employer-provided group high deductible health insurance plan option that includes a health savings account (H.S.A.), \$534.24 for single coverage and \$1,350.55 for family coverage; and for or employees not enrolled in any Employer-provided group health insurance plan option that is not a high deductible plan with a health savings account (H.S.A.), \$721.89 for single coverage and \$1,824.92 for family coverage
- In calendar year 2022, for employees enrolled in any Employer-provided group high deductible health insurance plan option that includes a health savings account (H.S.A.), \$614.38 for single coverage and \$1,630.79 for family coverage; and for or employees not enrolled in any Employer-provided group health insurance plan option that is not a high deductible plan with a health savings account (H.S.A.), \$830.17 for single coverage and \$2,098.66 for family coverage.
- In calendar year 2023, for employees enrolled in any Employer-provided group high deductible health insurance plan option that includes a health savings account (H.S.A.), \$645.10 for single coverage and \$1,630.69 for family coverage; and for or employees not enrolled in any Employer-provided group health insurance plan option that is not a high deductible plan with a health savings account (H.S.A.), \$871.68 for single coverage and \$2,203.59 for family coverage.

In calendar years 2021, 2022, and 2023, respectively, Employees enrolled in the Employer-provided group high deductible health insurance plan will receive the following HSA contributions from the Employer based on number of years enrolled during employment with Employer in such plan:

- 1st year  
Family coverage: \$5,500 \$500 into H.S.A. or as cash  
Single coverage: \$2,500 \$500 into H.S.A. or as cash
- 2nd year  
Family coverage: \$4,000 \$1,500 into H.S.A. or as cash  
Single coverage: \$1,750 \$1,000 into H.S.A. or as cash
- 3rd year –or longer:  
Family coverage \$3,000 \$1000 into H.S.A. or as cash  
Single coverage \$1,500 \$500 into H.S.A. or as cash

Section 2. Each regular employee will be provided with \$40,000.00 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 Employer Group Term Life Plan.

Section 3. The Employer shall fully pay for a full family dental 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 the Employer health insurance and the Employer shall pay its share of the health insurance premium for that month.

## ARTICLE 14 - WAGES

Section 1. The regular City employees shall be compensated according to the salary classification schedule attached herein and effective January 1, 2021

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 employee, 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 Employer 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. shall be granted one hundred fifty dollars (\$150.00) in clothing allowance each year. Payment will be made upon submission of a receipt by the employee., Employees may roll over the \$150.00 clothing allowance to the next year for a total of \$300,00. Employees shall have the option of using the entire \$300.00 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 an Employer vehicle to perform the duties of their position.

Section 5. The Employer 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.

Section 6. The Employer shall pay up to two Mechanics Four Hundred - Fifty (\$450) annually in the first payroll after July 1 in any year for conducting Department of Transportation (DOT) inspections. To receive the Four Hundred - Fifty (\$450) in compensation, the Mechanic must be employed as of January 1 and July 1 of the year the DOT inspection is incurred.

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

#### ARTICLE 16 - SEVERANCE PAY

Section 1. Upon retirement from the Employer under provisions of a PERA qualified retirement, an employee shall 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 HCSP of such employee will be administered subject to any applicable laws, rules, regulations, plan documents, or other governing authority.

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 Employer shall allow the retired employee to stay on the Employer group insurance and Employer 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 Employers 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 Employers insurance plans beyond Medicare eligibility.

Section 3. In the event of a death of both employee and their spouse, any monies will be administered subject to any applicable laws, rules, regulations, plan documents, or other governing authority. .

#### ARTICLE 17 - HEALTH CARE SAVINGS PLAN

Section 1. Employee Participation in the MN HCSP will remain in effect until amended or repealed through agreement between Employer 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 semimonthly pay period. Each employee shall have an amount deducted from his/her gross semimonthly pay as a contribution to the HCSP in the amount the Union 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 Employer 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 - MANAGERIAL 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 Labor Agreement between Employer and Union This Agreement shall be effective as of January 1, 2021 and shall remain in effect through December 31, 2023.

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.

City of Two Harbors

  
Mayor

AFSCME Local 1123

  
President, AFSCME Local 1123

  
City Clerk

  
Director, Council #5

  
ATTEST: City Administrator

  
Business Representative

Date: 10.24.2021

Date: 10-21-21



# ADDENDUM A – 2021-2023 Hourly Pay

<b>Effective 01/01/2021</b>		Start (Probation)	Base (6 MOS)
I	Assistant Public Works Dir.*	\$25.28	\$27.81
	Assistant Water & Gas Sewer Supt.*	\$24.76	\$27.28
II	Parks Ground & Building Maintenance Public Works Specialist III Mechanic	\$23.50	\$25.37
	Water & Gas Dist. Maint.* Building Repair & Maintenance Painting Cemetery Caretaker (5 years & Over)		
III	Cemetery Caretaker	\$23.21	\$24.85
IV	Public Works Specialist II Liquor Clerks	\$22.54	\$24.37
V	Public Works Specialist I Building Maintenance Custodian	\$22.04	\$23.82
VI	Part-time Permanent Seasonal Liquor Store Clerk (No Benefits)	\$21.02	
	Part-time Permanent City Hall Receptionist Clerk (No Benefits)	\$21.02	

<b>Effective 07/01/2021</b>		Start (Probation)	Base (6 MOS)
I	Assistant Public Works Dir.*	\$25.53	\$28.09
	Assistant Water & Gas Sewer Supt.*	\$25.01	\$27.55
II	Parks Ground & Building Maintenance Public Works Specialist III Mechanic	\$23.74	\$25.62
	Water & Gas Dist. Maint.* Building Repair & Maintenance Painting Cemetery Caretaker (5 years & Over)		
III	Cemetery Caretaker	\$23.44	\$25.10
IV	Public Works Specialist II Liquor Clerks	\$22.77	\$24.61
V	Public Works Specialist I Building Maintenance Custodian	\$22.26	\$24.06
VI	Part-time Permanent Seasonal Liquor Store Clerk (No Benefits)	\$21.23	
	Part-time Permanent City Hall Receptionist Clerk (No Benefits)	\$21.23	

<b>Effective 01/01/2022</b>		Start (Probation)	Base (6 MOS)
I	Assistant Public Works Dir.*	\$26.30	\$28.93
	Assistant Water & Gas Sewer Supt.*	\$25.76	\$28.38
II	Parks Ground & Building Maintenance Public Works Specialist III		
	Mechanic	\$24.45	\$26.39
	Water & Gas Dist. Maint.* Building Repair & Maintenance Painting		
	Cemetery Caretaker (5 years & Over)		
III	Cemetery Caretaker	\$24.14	\$25.85
IV	Public Works Specialist II		
	Liquor Clerks	\$23.45	\$25.35
V	Public Works Specialist I		
	Building Maintenance Custodian	\$22.93	\$24.78
VI	Part-time Permanent Seasonal Liquor Store Clerk (No Benefits)	\$21.87	
	Part-time Permanent City Hall Receptionist Clerk (No Benefits)	\$21.87	

<b>Effective 07/01/2022</b>		Start (Probation)	Base (6 MOS)
I	Assistant Public Works Dir.*	\$26.56	\$29.22
	Assistant Water & Gas Sewer Supt.*	\$26.02	\$28.66
II	Parks Ground & Building Maintenance Public Works Specialist III		
	Mechanic	\$24.70	\$26.65
	Water & Gas Dist. Maint.* Building Repair & Maintenance Painting		
	Cemetery Caretaker (5 years & Over)		
III	Cemetery Caretaker	\$24.38	\$26.11
IV	Public Works Specialist II		
	Liquor Clerks	\$23.69	\$25.60
V	Public Works Specialist I		
	Building Maintenance Custodian	\$23.16	\$25.03
VI	Part-time Permanent Seasonal Liquor Store Clerk (No Benefits)	\$22.09	
	Part-time Permanent City Hall Receptionist Clerk (No Benefits)	\$22.09	

<b>Effective 01/01/2023</b>		<b>Start</b>	<b>Base</b>
		<b>(Probation)</b>	<b>(6 MOS)</b>
I	Assistant Public Works Dir.*	\$27.09	\$29.80
	Assistant Water & Gas Sewer Supt.*	\$26.54	\$29.23
II	Parks Ground & Building Maintenance Public Works Specialist III		
	Mechanic	\$25.19	\$27.18
	Water & Gas Dist. Maint.* Building Repair & Maintenance Painting		
	Cemetery Caretaker (5 years & Over)		
III	Cemetery Caretaker	\$24.87	\$26.63
IV	Public Works Specialist II		
	Liquor Clerks	\$24.16	\$26.11
V	Public Works Specialist I		
	Building Maintenance Custodian	\$23.62	\$25.53
VI	Part-time Permanent Seasonal Liquor Store Clerk (No Benefits)	\$22.53	
	Part-time Permanent City Hall Receptionist Clerk (No Benefits)	\$22.53	
		\$27.09	\$29.80

\*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. Gas, Water and Sewer employees eligible for \$.15 per hour for obtaining each Class D and Class SC effective 2020.

#### 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 B – 2021-2023 HOURLY / MONTHLY PAY

Effective

01/01/2021

Hourly / Monthly

Pay

Group	Class Title	Start (Probation) Step 1		Base (6 Months) Step 2	
		Hourly	Monthly	Hourly	Monthly
I	Asst. Finance Director*	\$25.50	\$4,418.29	\$27.27	\$4,725.43
II	Edp/Tech Clerk	\$23.45	\$4,063.11	\$25.22	\$4,370.25
	Police Records Clerk	\$23.45	\$4,063.11	\$25.22	\$4,370.25
III	Police Records Clerk – With Evidence Tech Cert.	\$24.25	\$4,202.10	\$26.01	\$4,507.52
IV	City Hall Receptionist	\$20.79	\$3,603.27	\$22.25	\$3,855.50
	Clerk	\$20.79	\$3,603.27	\$22.25	\$3,855.50

Effective

07/01/2021

Hourly / Monthly

Pay

Group	Class Title	Start (Probation) Step 1		Base (6 Months) Step 2	
		Hourly	Monthly	Hourly	Monthly
I	Asst. Finance Director*	\$25.75	\$4,463.33	\$27.54	\$4,773.60
II	Edp/Tech Clerk	\$23.68	\$4,104.53	\$25.47	\$4,414.80
	Police Records Clerk	\$23.68	\$4,104.53	\$25.47	\$4,414.80
III	Police Records Clerk – With Evidence Tech Cert.	\$24.49	\$4,244.93	\$26.27	\$4,553.47
IV	City Hall Receptionist	\$21.00	\$3,640.00	\$22.47	\$3,894.80
	Clerk	\$21.00	\$3,640.00	\$22.47	\$3,894.80

Effective  
01/01/2022  
Hourly / Monthly  
Pay

Group	Class Title	Start (Probation) Step I		Base (6 Months) Step 2	
		Hourly	Monthly	Hourly	Monthly
I	Asst. Finance Director*	\$26.52	\$4,596.80	\$28.37	\$4,917.47
II	Edp/Tech Clerk	\$24.39	\$4,227.60	\$26.24	\$4,548.27
	Police Records Clerk	\$24.39	\$4,227.60	\$26.24	\$4,548.27
III	Police Records Clerk – With Evidence Tech Cert.	\$25.22	\$4,371.47	\$27.06	\$4,690.40
IV	City Hall Receptionist	\$21.63	\$3,749.20	\$23.14	\$4,010.93
	Clerk	\$21.63	\$3,749.20	\$23.14	\$4,010.93

Effective  
07/01/2022  
Hourly / Monthly  
Pay

Group	Class Title	Start (Probation) Step I		Base (6 Months) Step 2	
		Hourly	Monthly	Hourly	Monthly
I	Asst. Finance Director*	\$26.79	\$4,643.60	\$28.65	\$4,966.00
II	Edp/Tech Clerk	\$24.63	\$4,269.20	\$26.50	\$4,593.33
	Police Records Clerk	\$24.63	\$4,269.20	\$26.50	\$4,593.33
III	Police Records Clerk – With Evidence Tech Cert.	\$25.48	\$4,416.53	\$27.33	\$4,737.20
IV	City Hall Receptionist	\$21.85	\$3,787.33	\$23.38	\$4,052.53
	Clerk	\$21.85	\$3,787.33	\$23.38	\$4,052.53

Effective  
01/01/2023  
Hourly / Monthly  
Pay

Group	Class Title	Start (Probation) Step I		Base (6 Months) Step 2	
		Hourly	Monthly	Hourly	Monthly
I	Asst. Finance Director*	\$27.33	\$4,736.29	\$29.22	\$5,063.83
II	Edp/Tech Clerk	\$25.12	\$4,353.30	\$27.03	\$4,684.30
	Police Records Clerk	\$25.12	\$4,353.30	\$27.03	\$4,684.30
III	Police Records Clerk – With Evidence Tech Cert.	\$25.99	\$4,504.07	\$27.88	\$4,831.60
IV	City Hall Receptionist	\$22.29	\$3,862.86	\$23.85	\$4,133.21
	Clerk	\$22.29	\$3,862.86	\$23.85	\$4,133.21

\*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  
20years - 10% of Base

**██████████ Addendum C**

**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 birthday.	To age 26; through the calendar month of the

**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

<ul style="list-style-type: none"> <li>Physical Therapy</li> <li>Occupational Therapy</li> <li>Speech Therapy</li> </ul>	Deductible then 80% coinsurance Deductible then 80% coinsurance Deductible then 80% coinsurance
<b>COVERED CHARGES</b>	<b>BENEFIT PAYMENT</b>
Inpatient Hospital Services 365 days of medically necessary care in an average semi-private room.	Deductible then 80% coinsurance
Outpatient Hospital Services	
<ul style="list-style-type: none"> <li>Diagnostic tests</li> <li>Pre-admission Tests and Exams</li> <li>Lab and X-ray</li> <li>Chemotherapy &amp; Radiation Therapy</li> <li>Physical, Occupational &amp; Speech Therapy</li> <li>Kidney Dialysis</li> <li>Scheduled Outpatient Surgery</li> <li>Non-emergency, illness related visits</li> <li>Urgent Care (Hospital Based)</li> </ul>	Deductible then 80% coinsurance Deductible then 80% coinsurance Deductible then 80% coinsurance Deductible then 80% coinsurance Deductible then 80% coinsurance Deductible then 80% coinsurance Deductible then 80% coinsurance Deductible then 80% coinsurance Deductible then 80% coinsurance
Emergency Care	
<ul style="list-style-type: none"> <li>Emergency Room</li> <li>Physician Services</li> <li>Ambulance</li> </ul>	Deductible then 80% coinsurance Deductible then 80% coinsurance Deductible then 80% coinsurance
Medically necessary transport to nearest facility	
<ul style="list-style-type: none"> <li>Medical Supplies</li> </ul>	Deductible then 80% coinsurance
Behavioral Health Care (Mental Health and Chemical Dependency Care)	
<ul style="list-style-type: none"> <li>Inpatient Care</li> <li>Outpatient Care</li> <li>Professional Care</li> </ul>	Deductible then 80% coinsurance Deductible then 80% coinsurance Deductible then 80% coinsurance
Prescription drugs	
<ul style="list-style-type: none"> <li>Retail – 31day limit</li> <li>90dayRx – 90day limit</li> </ul>	Deductible then 80% coinsurance Open formulary 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 is not 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 – virtuwell	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 Participating Pharmacies Non-Participating Pharmacies**

Supply; 9d1 day supply for mail order Pharmacy benefits do not include all drug classes. See plan materials for

	additional information.	
Retail Coinsurance	You pay nothing after deductible	You pay 20% after deductible
HealthPartners Mail Order Coinsurance	You pay nothing after deductible	
Specialty	See Specialty drug list on <a href="http://healthpartners.com">healthpartners.com</a>	
Specialty drugs	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, over use 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](http://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 law. 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](http://healthpartners.com) or call member services at 952-883-5000 or 800-883-2177. Please contact your provider for a copy of the plan's 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](http://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 member services.

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

## **MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding ("MOU") is made by and between City of Two Harbors, Minnesota ("Employer") and American Federal of State, County and Municipal Employees Union, Local Union No. 1123 ("Union").

WHEREAS, the Union is the exclusive representative for certain employees employed by Employer in an appropriate unit ("Bargaining Unit Employees");

WHEREAS, the Labor Agreement between the parties establishes Employer contributions to Employer-provided group health insurance plan premiums for 2023; and

WHEREAS, the Employer and Union desire to establish this MOU to require negotiations if group health insurance plan premiums are projected to increase by more than 5% in 2023.

NOW, THEREFORE, all parties hereto understand as follows:

### **Article 1. Health Insurance Contribution Negotiations for 2023 Only**

If premiums for Employer-provided group health insurance plans for 2023 only are projected in fall 2022 to increase by more than 5%, the parties will meet and negotiate regarding Employer contributions to health insurance premiums for 2023. Minn. Stat. sec. 179A.18 does not apply to the provisions of this MOU.

### **Article 2. Entire Understanding**

This MOU constitutes the entire Understanding among the parties hereto. No representations, warranties, covenants, or inducements have been made to any party concerning this MOU, other than the representations, covenants, or inducements contained and memorialized in this MOU. This MOU supersedes all prior negotiations, oral and written Understandings, policies and practices with respect thereto addressing the specific subject matter addressed in this MOU.

### **Article 3. Waiver of Bargaining**

Employer and Union each voluntarily and unqualifiedly waives the right and each agrees that while the MOU is in full force and effect the other shall not be obligated to bargain collectively with respect to the express and specific subjects or matters included in this MOU.

### **Article 4. Limitations**

This MOU is intended for the sole and limited purpose specified herein. This MOU cannot be construed to be nor does it constitute or establish any admission of the Employer, precedent, past practice or otherwise place any prohibition or limitation on any management right of the Employer. The Employer expressly reserves the right to exercise all of its management rights without limitation.

**Article 5. Amendment, Modification, or Termination**

This MOU or any of its terms may only be amended, modified, or terminated by a written instrument that: (1) expressly states it is amending, modifying, or terminating the MOU; and (2) is signed by or on behalf of all of the parties hereto or their successors in interest.

**Article 6. Voluntary Understanding of the Parties**

The parties hereto acknowledge and agree that this Understanding is voluntarily entered into by all parties hereto as the result of arm's-length negotiations during which all such parties were represented.

**Article 7. Effective Date**

This MOU is effective the latest date affixed to the signatures hereto

**Article 8. Expiration**

This MOU will expire and no longer be in force or effect, effective the date that the labor agreement between the Employer and Union for January 1, 2021 through December 31, 2023 expires and is no longer in force or effect.

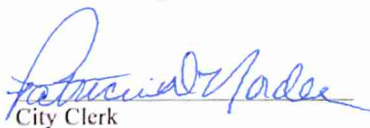
IN WITNESS HEREOF, the parties hereto have made this MOU on the latest date affixed to the signatures below.

City of Two Harbors

AFSCME Local 1123

  
Mayor

  
President, AFSCME Local 1123

  
City Clerk

  
Director, Council No. 5

  
ATTEST: City Administrator

  
Business Representative

Date: 10.26.2021

Date: 10-21-21

## **MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding ("MOU") is made by and between City of Two Harbors, Minnesota ("Employer") and American Federal of State, County and Municipal Employees Union, Local Union No. 1123 ("Union").

WHEREAS, the Union is the exclusive representative for certain employees employed by Employer in an appropriate unit ("Bargaining Unit Employees");

WHEREAS, Employer provides group health insurance to its employees; and

WHEREAS, the Employer and Union desire to facilitate discussions on the Employer-provided group health insurance plans.

NOW, THEREFORE, all parties hereto understand as follows:

### **Article 1. Health Insurance Group**

Employer will establish a health insurance group that will include Bargaining Unit Employee representative(s), among other Employer representatives, to discuss annually the Employer-provided health insurance plans.

### **Article 2. Entire Understanding**

This MOU constitutes the entire Understanding among the parties hereto. No representations, warranties, covenants, or inducements have been made to any party concerning this MOU, other than the representations, covenants, or inducements contained and memorialized in this MOU. This MOU supersedes all prior negotiations, oral and written Understandings, policies and practices with respect thereto addressing the specific subject matter addressed in this MOU.

### **Article 3. Waiver of Bargaining**

Employer and Union each voluntarily and unqualifiedly waives the right and each agrees that while the MOU is in full force and effect the other shall not be obligated to bargain collectively with respect to the express and specific subjects or matters included in this MOU.

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This MOU is intended for the sole and limited purpose specified herein. This MOU cannot be construed to be nor does it constitute or establish any admission of the Employer, precedent, past practice or otherwise place any prohibition or limitation on any management right of the Employer. The Employer expressly reserves the right to exercise all of its management rights without limitation.

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This MOU or any of its terms may only be amended, modified, or terminated by a written instrument that: (1) expressly states it is amending, modifying, or terminating the MOU; and (2) is signed by or on behalf of all of the parties hereto or their successors in interest.

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**Article 8. Expiration**

This MOU will expire and no longer be in force or effect, effective the date that the labor agreement between the Employer and Union for January 1, 2021 through December 31, 2023 expires and is no longer in force or effect.

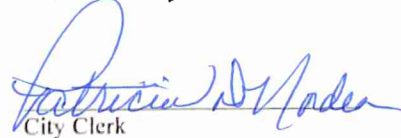
IN WITNESS HEREOF, the parties hereto have made this MOU on the latest date affixed to the signatures below.

City of Two Harbors

  
Mayor

AFSCME Local 1123

  
President, AFSCME Local 1123

  
City Clerk

  
Director, Council No. 5

ATTEST: City Administrator

  
Business Representative

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

Date: 10-21-21

## **MEMORANDUM OF AGREEMENT**

This Memorandum of Agreement ("MOA") is made by and between City of Two Harbors, Minnesota ("Employer") and American Federal of State, County and Municipal Employees Union, Local Union No. 1123 ("Union").

WHEREAS, the Union is the exclusive representative for certain employees employed by Employer in an appropriate unit ("Bargaining Unit Employees");

WHEREAS, Bargaining Unit Employees may be expected to wear particular clothing while working for Employer; and

WHEREAS, the Employer and Union desire to provide a certain clothing allowance for Bargaining Unit Employees.

NOW, THEREFORE, all parties hereto agree as follows:

### **Article 1. Clothing Allowance**

Bargaining Unit Employees will be paid clothing allowance as follows to each employee: \$1,100.00 in October 2021, \$550.00 in January 2022, and \$550.00 in July 2022. This allowance will not be used to determine or impact any other payments, allowances, or the like owing to the employees. This allowance is not a reimbursement.

### **Article 2. Entire Agreement**

This MOA constitutes the entire agreement among the parties hereto. No representations, warranties, covenants, or inducements have been made to any party concerning this MOA, other than the representations, covenants, or inducements contained and memorialized in this MOA. This MOA supersedes all prior negotiations, oral and written agreements, policies and practices with respect thereto addressing the specific subject matter addressed in this MOA.

### **Article 3. Waiver of Bargaining**

Employer and Union each voluntarily and unqualifiedly waives the right and each agrees that while the MOA is in full force and effect the other shall not be obligated to bargain collectively with respect to the express and specific subjects or matters included in this MOA.

### **Article 4. Limitations**

This MOA is intended for the sole and limited purpose specified herein. This MOA cannot be construed to be nor does it constitute or establish any admission of the Employer, precedent, past practice or otherwise place any prohibition or limitation on any management right of the Employer, including the right to make, modify, or eliminate any clothing requirement. The Employer expressly reserves the right to exercise all of its management rights without limitation.



**Article 5. Amendment, Modification, or Termination**

This MOA or any of its terms may only be amended, modified, or terminated by a written instrument that: (1) expressly states it is amending, modifying, or terminating the MOA; and (2) is signed by or on behalf of all of the parties hereto or their successors in interest.

**Article 6. Voluntary Agreement of the Parties**

The parties hereto acknowledge and agree that this Agreement is voluntarily entered into by all parties hereto as the result of arm's-length negotiations during which all such parties were represented.

**Article 7. Effective Date**

This MOA is effective the latest date affixed to the signatures hereto.

**Article 8. Expiration**

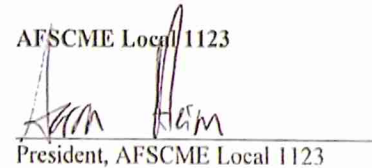
This MOA will expire and no longer be in force or effect, effective August 1, 2022.

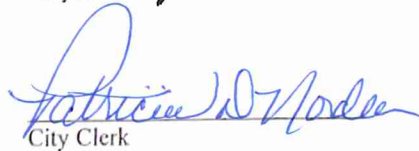
IN WITNESS HEREOF, the parties hereto have made this MOA on the latest date affixed to the signatures below.

City of Two Harbors

AFSCME Local 1123

  
Mayor

  
President, AFSCME Local 1123

  
City Clerk

  
Director, Council No. 5

  
ATTEST: City Administrator

  
Business Representative

Date: 10-24-2021

Date: 10-21-21