



# Brainerd City Council Agenda Request

**Requested Meeting Date:**

**Title of Item:**

<input type="checkbox"/> INFORMATION ONLY <input type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> P&F COMMITTEE <input type="checkbox"/> SPW COMMITTEE <input type="checkbox"/> MAIN AGENDA	<b>Action Requested:</b> <input type="checkbox"/> Approve/Deny Motion <input type="checkbox"/> Adopt Resolution (attach draft) *provide copy of published hearing notice <input type="checkbox"/> Direction Requested <input type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing* <input type="checkbox"/> Ordinance 1 <sup>st</sup> Reading
<b>Submitted by:</b>	<b>Department:</b>
<b>Presenter (Name &amp; Title):</b>	<b>Estimated Time Needed:</b>
<b>Summary of Issue:</b>	
<b>Alternatives, Options, Effects on Others/Comments:</b>	
<b>Recommended Action/Motion:</b>	
<b>Financial Impact:</b> Is there a cost associated with this request: <input type="checkbox"/> Yes <input type="checkbox"/> No What is the total cost, with tax and shipping \$ _____ Is this budgeted? <input type="checkbox"/> Yes <input type="checkbox"/> No <u>Please Explain:</u>	

**City of Brainerd – IUOE Local #49 (Street) Union**  
**\*Tentative Agreement Terms**  
January 6, 2021

The following is the tentative agreement package terms reached between the City of Brainerd and the IUOE Local #49 (Street) Union during 2021-2021 contract negotiations. This package is for Union and City Council consideration/approval:

1. **Article VII. Severance Pay** (From MOU approved in June 2019).

Payment of Severance Pay. Effective immediately, severance payments made pursuant to Article VII of the CBA shall be made as follows:

- ~~A. All employees eligible for the severance payment will contribute 100% of any severance payment attributable to unused sick leave at the time of separation to the MN State Retirement Health Care Savings Plan.~~
- ~~B. All employees eligible for the severance payment will receive 100% of any severance payment attributable to unused vacation time and/or compensation time as a payment on the employee's final payment from the City of Brainerd.~~

All employees eligible for the severance payment will contribute 100% of any severance payment attributable to unused sick leave as well as 100% of their unused vacation and comp time at the time of separation to the MN State Retirement Health Care Savings Plan.

2. **Article XI. Wages** - Members of the Local 49ers are requesting consideration for a 2.5% COLA increase for both the legacy and grid options for both 2021 and 2022. If approved, the following is the proposed wage language.

Section 1. Wage Grid.

All employees hired and/or promoted on or after January 1, 2019, shall be compensated in accordance with the pay tables as attached and incorporated into this Agreement and marked as Appendix A.

Pay steps are based on satisfactory performance. For employees hired after January 1, 2019, employees are eligible for step increases on their annual date of hire anniversary date ~~for employees will be effective the 1st of the month following eligibility.~~ For employees hired prior to January 1, 2019, who elect to be paid in accordance with this Section (as provided in Section 2), step increases shall become effective January 1 of each year. Progression through the pay steps will be accomplished by an annual review of employee performance. In order to advance to Step 7, an employee must be on Step 6 and obtain two “achieves expectations” and one “exceeds expectations” on their annual performance evaluation for their currently-held position in any given three-year cycle beginning January 1, 2019. In order to advance to Step 8, an employee must be on Step 7 and obtain another “exceeds expectations” with two prior “achieves expectations” on their annual performance evaluation for their currently-held position in any given three-year cycle.

New employees will generally start at Step 1. The City retains the sole discretion to start an employee at a higher step depending on qualifications and needs of the city. Progression through the pay steps will be as identified above.

Employees shall have no right under this Agreement to file a grievance regarding initial placement on the pay table. Denial or delay of a step increment shall be grievable through Step 3, but not arbitrable.

An appeal process is available to employees who disagree with the result of their annual performance review. To initiate the appeal process, an employee must request an appeal within seven (7) days of receiving the results of his/her annual performance review. The request must be submitted in writing and forwarded electronically to their applicable Department Head and the HR ~~Director~~ ~~Coordinator~~. The appeal request must clearly identify the specific portion(s) of the employee’s performance review as well as the recommended remedy.

The appeal will be decided by a three (3) person panel consisting of: the Union Business Agent, a City Administration representative, and a third-party neutral ~~to be mutually agreed upon by the Union and the Employer from the MN Bureau of Mediation Services~~. This panel will hear up to a half hour of presentation from the employee and up to a half hour of presentation from the applicable Department Head or designee. The panel will issue a decision the same day as the presentation, if possible, and in any event within ~~five (5) business days~~ ~~six weeks~~ from the presentation. The decision of the panel will be final and binding and will not be subject to the grievance procedure under this Agreement.

Section 2. Employees Hired Before January 1, 2019.

Employees hired before January 1, 2019, must make a one-time election to be paid in accordance with either: (1) Section 1 of this Agreement and the pay table marked as Appendix A; or (2) this Section 2 of the Agreement. In order to make the election, an employee must inform the HR ~~Coordinator~~ ~~Director~~, in writing (e-mail is acceptable, but not text message), of his or her choice no later than 4:30 p.m. on ~~April 12, 2019~~ ~~February 12, 2021~~. Once the election is made, it is **irrevocable** and cannot be changed at a later date.

If an employee does not notify the HR ~~Coordinator~~ ~~Director~~ by 4:30 p.m. on ~~April 12, 2019~~ ~~February 12, 2021~~, the employee will be deemed to have elected to be paid in accordance with Section 1 of this Agreement and the pay table marked as Appendix A. Such election by default is also **irrevocable** and cannot be changed at a later date.

Employees electing to be paid pursuant to this Section 2 will be paid as follows:

<u>CLASSIFICATION</u>	2.5% <u>1/1/<del>19</del>21</u>	2.5% <u>1/1/<del>20</del>22</u>
<u>Street and Sewer Foreman</u>	<del>\$34.65</del> 36.58	<del>\$35.69</del> 37.49
<u>Maintenance IIII</u>	<del>\$27.73</del> 29.27	<del>\$28.56</del> 30.00

~~Blade Operator/Mechanic/Heavy Equipment  
Operator/Sewer Lead Person~~

<u>Maintenance II</u>	<del>\$25.61</del> 27.04	<del>\$26.38</del> 27.72
<u>Maintenance I</u>	<del>\$23.56</del> 24.88	<del>\$24.27</del> 25.50

Section 6. When the Street and Sewer Foreman for the Street Department is absent for an entire day or more, the City Engineer or acting department head, will appoint an employee as acting supervisor. If the acting Supervisor has elected the “legacy option” pursuant to Section 2 of this Article, tThe acting Supervisor will receive 90% of the Street and Sewer Foreman's base wage rate. If the acting Supervisor elected or was placed on the wage grid noted in Section 1 of this Article, the acting Supervisor will receive the pay as identified in Section 5 of this Article.

**3. ARTICLE XII. Hospitalization.**

Should the city's contribution to hospitalization increase, the Street and Sewer department employees will receive that increase. The city contribution amount will not fall below the capped dollar amount of ~~\$1,240.00~~ **\$1,325.00** per month. If the bargaining unit wants to return to the City of Brainerd's health insurance plan, they may do so after the contract expires at the cost and percentage as the other City employees.

**4. ARTICLE XV. Central Pension Fund**

~~The contribution of one dollar and fifty cents (\$1.50) per hour prevents an~~ An employee's annual CPF contributions cannot from exceeding Five Thousand Dollars \$5000.00 in a year ~~and therefore complies to comply~~ with limitations set forth under Minnesota Statue §356.24, subd. 1(10) as amended in 2005. Effective January 1, 2021, the employee’s contribution amount will increase by \$.75 to \$2.25 per hour. Effective January 1, 2022, the employee’s contribution amount will increase by \$.15 to \$2.40 per hour.

**5. ARTICLE XVI. Period of Agreement - Approval**

Section 2. This Agreement, when signed by the proper officials of the City of Brainerd and Local Union # 49 and approved by the Union, shall become effective as of January 1, ~~2019~~ 2021 except as noted herein, and shall continue in effect through and until December 31, ~~2020~~2022. Thereafter, this Agreement shall be automatically renewed for terms of one (1) year each, unless legal notice of desire to terminate this Agreement is given by one party to the other at least ninety (90) days prior to the expiration date of December 31, 20~~20~~22.

**6. Notice Ending Past Practice regarding benefits during absences – Draft notice is attached.**

**7. Retroactive Pay to January 1, 2021 will be allowed.**

\*NOTE: The City Council has not currently authorized the COLA included in this TA; however, with the union’s affirmative vote, Staff will bring this tentative agreement package to the City Council for their review and consideration.

**RESOLUTION**

**No. :21**

BE IT RESOLVED by the Council of the City of Brainerd to set the hourly wages for City employees who are members of the IUOE Local #49 (Street) Union as provided in its 2021 – 2022 Union Contract as described below.

Below is the 2021 - 2022 eight-step wage grid referenced above, and incorporated in Article XI, Section 1, as approved by the Council:

<b>Street Maint I</b>	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1/1/2021	21.21	22.27	23.33	24.38	25.45	26.51	27.58	28.64
1/1/2022	21.74	22.83	23.91	24.99	26.09	27.17	28.27	29.36
<b>Street Maint II</b>	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1/1/2021	22.94	24.09	25.25	26.38	27.53	28.68	29.83	30.97
1/1/2022	23.51	24.69	25.88	27.04	28.22	29.40	30.58	31.74
<b>Street Maint III</b>	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1/1/2021	25.78	27.07	28.35	29.64	30.93	32.23	33.52	34.80
1/1/2022	26.42	27.75	29.06	30.38	31.70	33.04	34.36	35.67
<b>Street Foreman</b>	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1/1/2021	28.40	29.82	31.23	32.66	34.08	35.51	36.92	38.34
1/1/2022	29.11	30.57	32.01	33.48	34.93	36.40	37.84	39.30

Below are the 2021 – 2022 base hourly wages referenced above, and incorporated in Article XI, Section 2, as approved by the Council:

<u>CLASSIFICATION</u>	2.5% <u>1/1/21</u>	2.5% <u>1/1/22</u>
<u>Street and Sewer Foreman</u>	\$36.58	\$37.49
<u>Maintenance III</u> Blade Operator/Mechanic/Heavy Equipment Operator/Sewer Lead Person	\$29.27	\$30.00
<u>Maintenance II</u>	\$27.04	\$27.72
<u>Maintenance I</u>	\$24.88	\$25.50

BE IT FURTHER RESOLVED that consistent with the Union Contract, union employees hired before January 1, 2019, must make a one-time election to be paid in accordance with either: (1) Article XI, Section 1, of the Union Contract (eight-step wage grid); or (2) Article XI, Section 2, of the Union Contract detailing a base wage adjustment. Said election must be made by February 12, 2021, and once the election is made, it is **irrevocable** and cannot be changed at a later date. If an employee elects the wage grid, the employee’s initial placement on the wage grid will be identified as a Supplement to the union contract.

Adopted this \_\_\_\_ day of February, 2021.

\_\_\_\_\_  
KELLY BEVANS  
President of the Council

Approved this \_\_\_\_ day of February, 2021.

\_\_\_\_\_  
DAVE BADEAUX  
Mayor

ATTEST: \_\_\_\_\_  
JENNIFER BERGMAN  
City Administrator

## NOTICE

To: IUOE Local No. 49 (Street & Sewer Dept.) Employees  
Cc: Todd Djonne - IUOE Business Representative  
From: City Administrator Jennifer Bergman  
Subject: Employee Policy Manual Clarification for Benefits during Absences  
Date: November 5, 2020

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In previous negotiations, the City provided the IUOE – Street Department Union a Notice Ending Past Practice that benefits including Holidays, Vacation and Sick Leave as well as insurance benefits would cease if the employee is not receiving 30 hours of pay per week or the full pay difference between their worker’s comp check and their bi-weekly base salary if elected per Article VI of the IUOE union contract. Said notice also stated that approved FMLA leave will be excluded from this clarification as required Federal Law; further, once the 12-week FMLA leave has expired, these provisions shall be in force.

Please be advised that the intent of this notice is that effective January 1, 2021, the City will follow the Employee Policy Manual and applicable Union Contract Provisions that full-time employees must receive 40 hours of pay per week in order to be eligible for accruals and benefits. Further, and also effective January 1, 2021, the only benefits that will continue during an unpaid and approved FMLA leave, will be the benefits as required by Federal law.

This notice and the policy described herein, upon the effective date of such policy, will supersede any prior actions taken by the City of Brainerd inconsistent with such policy.

If you have any questions regarding the foregoing, feel free to contact HR Director Kris Schubert at 828-2307.

/ks

POSTED: