

**LABOR AGREEMENT
THE CITY OF DAYTON
And
THE AMERICAN FEDERATION OF STATE, COUNTY AND
MUNICIPAL EMPLOYEES, MINNESOTA COUNCIL 5**

ARTICLE 1. PURPOSE OF AGREEMENT

This AGREEMENT is entered into between the City of Dayton hereinafter called EMPLOYER and Minnesota American Federation of State, County and Municipal Employees, Minnesota Council 5, hereinafter called the Union.

The intent and purpose of this AGREEMENT is to:

- 1.1 Establish certain hours, wages and other conditions of employment;
- 1.2 Establish procedures for the resolution of disputes concerning this AGREEMENT Interpretation and/or application;
- 1.3 Specify the full and complete understanding of the parties; and
- 1.4 Place in written form the parties' agreement upon the terms and conditions of employment for the duration of this AGREEMENT.

The EMPLOYER and the UNION, through this AGREEMENT continue their dedication to the highest quality of public service. Both parties recognize this AGREEMENT as a pledge of this dedication.

ARTICLE 2. RECOGNITION

2.1 The EMPLOYER recognizes the UNION as the Exclusive Representative for all employees employed by the City of Dayton, Minnesota, who are public employees within the meaning of Minn. Stat. 179A.03, subd. 14, excluding supervisory, confidential and all other employees.

2.2 In the event the EMPLOYER and the UNION are unable to agree as to the inclusion or exclusion of a new or modified job classification, the issue shall be submitted to the Minnesota Bureau of Mediation Services for determination.

ARTICLE 3. UNION SECURITY

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

3.1 Deduct from each payroll period an amount sufficient to provide the payment of dues established by the UNION from the wages of all employees authorizing in writing such deduction; and

3.2 Remit such deduction to the appropriate designated officer of the UNION.

3.3 The UNION may designate one employee from the bargaining unit to act as steward and shall inform the EMPLOYER in writing of such choice, by January 1st of each year.

3.4 The UNION agrees to indemnify and hold the EMPLOYER harmless against any and all claims, suits, orders, or judgments brought or issued against the City as result of any action taken or not taken by the City under the provisions of this Article.

3.5 The EMPLOYER agrees to make space available on the EMPLOYER bulletin board for the posting of official UNION notice(s) and announcements.

ARTICLE 4. EMPLOYER AUTHORITY

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

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

ARTICLE 5. EMPLOYEE RIGHTS GRIEVANCE PROCEDURE

5.1 DEFINITION OF A GRIEVANCE

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

5.2 UNION REPRESENTATIVES

The EMPLOYER will recognize representatives designated by the UNION as the grievance representatives of the bargaining unit having the duties and responsibilities established by this Article. The UNION shall notify the EMPLOYER in writing of the names of such UNION representatives and of their successors when so designated on January 1st of each year.

5.3 PROCESSING OF A GRIEVANCE

It is recognized and accepted by the UNION and the EMPLOYER that the processing of grievances as hereinafter provided is limited by the job duties and responsibilities of the EMPLOYEES and shall therefore be accomplished during normal working hours only when consistent with such EMPLOYEE duties and responsibilities. The aggrieved EMPLOYEE and the UNION REPRESENTATIVE shall be allowed a reasonable amount of time without loss in pay when a grievance is investigated and presented to the EMPLOYER during normal working hours provided the EMPLOYEE and the UNION REPRESENTATIVE have notified and received the approval of the designated supervisor who has determined that such absence is reasonable and would not be detrimental to the work programs of the EMPLOYER.

5.4 PROCEDURE

Grievances, as defined by Section 5.1, shall be resolved in conformance with the follow procedure:

STEP 1. An EMPLOYEE claiming a violation concerning the interpretation or application of this AGREEMENT shall, within twenty-one (21) calendar days after such alleged violation has occurred, present such grievance to the EMPLOYEE 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, and there remedy requested and shall be appealed to Step 2 within ten (10) calendar days after the EMPLOYER-designated representative's final answer in Step 1. Any grievance not appealed in writing to Step 2 by the UNION within ten (10) calendar days shall be considered waived.

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

STEP 3. A grievance unresolved in Step 2 and appealed in Step 3 shall be submitted to arbitration. The EMPLOYER and the Union representative shall endeavor to select a mutually acceptable arbitrator to hear and decide the grievance. If the parties cannot agree on an arbitrator, the selection of an arbitrator shall be made in accordance with the Rules established by the Bureau of Mediation Services.

5.5 ARBITRATOR'S AUTHORITY

A. The arbitrator shall have no right to amend, modify, nullify, ignore, add to, or subtract from the terms and conditions of this AGREEMENT. The arbitrator shall consider and decide only the specific issue(s) submitted in writing by the EMPLOYER and the UNION, and shall have no authority to make a decision on any other issue not so submitted.

B. The arbitrator shall be without power to make decisions contrary to, or inconsistent with, or modifying or varying in any way the application of laws, rules, or regulations having the force and effect of law. The arbitrator's decision shall be submitted in writing within thirty (30) days following the close of the hearing or the submission of briefs by the parties, whichever be later, unless the parties agree to an extension. The decision shall be binding on both the EMPLOYER and the UNION and shall be based solely on the arbitrator's interpretation or application of the express terms of this AGREEMENT and to the facts of the grievance presented.

C. The fees and expenses for the arbitrator's services and proceedings shall be borne equally by the EMPLOYER and the UNION provided that each party shall be responsible for compensating its own representatives and witnesses. If either party desires a verbatim record of the proceedings, it may cause such a record to be made, providing it pays for the record. If both parties desire a verbatim record of the proceedings the cost shall be shared equally.

5.6 WAIVER

If a grievance is not presented within the time limits set forth above, it shall be considered "waived". If a grievance is not appealed to the next step within the specified time limit or any agreed extension thereof, it shall be considered settled on the basis of the EMPLOYER'S last answer. If the EMPLOYER does not answer a grievance or an appeal thereof within the specified time limits, the UNION may elect to treat the grievance as denied at that step and immediately appeal the grievance to the next step. The time limit in each step may be extended by mutual agreement of the EMPLOYER and the UNION.

ARTICLE 6. DEFINITIONS

6.1 UNION: Minnesota American Federation of State, County, and Municipal Employees, MN Council No. 5.

6.2 EMPLOYER: The City of Dayton

6.3 UNION MEMBERS: A member of the Minnesota American Federation of State, County and Municipal Employees, MN. Council No. 5.

6.4 EMPLOYEE: A member of the exclusively recognized bargaining unit.

6.5 BASE PAY RATE: The employee's hourly pay rate exclusive of longevity or any other special allowance.

6.6 SENIORITY:

6.61 Employee Seniority: Length of continuous service with the EMPLOYER.

6.62 Job Classification Seniority: Length of service in a job classification covered by this Agreement.

6.7 OVERTIME: Work performed at the express authorization of the EMPLOYER in excess of the employee's scheduled shift.

6.8 CALL BACK: Return of an employee to a specified work site to perform assigned duties at the express authorization of the EMPLOYER at a time other than an assigned shift. An extension of or early report to an assigned shift is not a call back.

6.9 FULL-TIME EMPLOYEE: An employee regularly scheduled to work forty (40) hours during a seven (7) day period (2,080 hours per year).

7.0 PART-TIME EMPLOYEE: An employee regularly scheduled to more than twenty (20) but less than forty (40) hours per week.

7.3 REGULARLY SCHEDULED: A work schedule, created by the employer for the employee, providing a consistent and specified number of working days and hours each week.

ARTICLE 7. SAVINGS CLAUSE

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

ARTICLE 8. WORK SCHEDULES

8.1 The sole authority in work schedules is the EMPLOYER.

8.2 The EMPLOYER will give seven (7) days advance notice to the employees affected by the establishment of scheduled shifts different from the employees' normal scheduled shift.

8.3 In the event that work is required because of unusual circumstances such as (but not limited to) fire, flood, snow, sleet, or breakdown of municipal equipment or facilities, no advance notice need be given.

ARTICLE 9. OVERTIME PAY

9.1 Overtime will be compensated at one and one half (1 ½) times the employee's regular base pay rate for hours worked in excess of the employees regularly scheduled shift.

9.2 All overtime shall be taken at the choice of the employee as compensatory time off or in pay. An employee may accumulate sixty (60) hours of compensatory time in a bank. Employees have the option to cash out of compensatory time hours on a quarterly basis.

ARTICLE 10. CALL BACK

10.1 An employee called in for work at a time other than the employee's normal scheduled shift will be compensated for a minimum of two (2) hours' pay at one and one-half (1 1/2) times the employees base rate of pay.

10.2 On Call Time: Any employee that is designated the on call employee during weekend and holiday hours shall receive 2 hours pay, at time and a half, for each day on call. The weekend on call would include Saturday and Sunday. Holidays include all days, other than weekends, where City Hall offices are closed.

ARTICLE 11. RIGHT OF SUBCONTRACT

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

ARTICLE 12. DISCIPLINE

12.1 The EMPLOYER will discipline employees only for just cause. Discipline will be in one of the following forms:

- a. Oral reprimand;
- b. Written Reprimand;
- c. Suspension;
- d. Demotion; or
- e. Discharge.

12.2 Suspensions, demotions, and discharges will be in written form.

12.3 Written reprimands, notices of suspension, notices of demotion and notices of discharge which are to become part of an Employee's personnel file shall be read and acknowledged by signature of the employee. Employees and the UNION will receive a copy of such reprimands and/or notices.

12.4 Employees may examine their own individual personnel files at reasonable times under the direct supervision of the EMPLOYER.

12.5 Employees will not be questioned concerning an investigation of disciplinary action unless the employee has been given an opportunity to have a UNION representative present at such questioning.

12.6 Grievances relating to this Article shall be initiated by the UNION at Step 3 to the Grievance Procedure under Article 5 of this Agreement.

ARTICLE 13. PROBATIONARY PERIODS

13.1 All newly hired or rehired employees will serve a one year probationary period.

13.2 All employees will serve a six (6) months' probationary period in any job classification in which the employee has not served a probationary period.

13.3 At any time during the probationary period a newly hired or rehired employee may be terminated at the sole discretion of the EMPLOYER.

13.4 At any time during the probationary period a promoted or reassigned employee may be demoted or reassigned to the employee's previous position at the sole discretion of the EMPLOYER.

ARTICLE 14. SAFETY

14.1 The EMPLOYER and the UNION agree to jointly promote safe and healthful working conditions, to cooperate in safety matters and to encourage employees to work in a safe manner.

14.2 The EMPLOYER will provide all EMPLOYER required uniform articles and equipment.

ARTICLE 15. JOB POSTING

15.1 The EMPLOYER and the UNION agree that permanent job vacancies within the designated bargaining unit shall be filled based on the concept of promotion from within provided that internal applicants:

15.1.1 Have the necessary qualifications to meet the standards of the job vacancy;
and

15.1.2 Have the ability to perform the duties and responsibilities of the job vacancy.

15.2 Employees filling a higher job class based on the provisions of this ARTICLE shall be subject to the conditions of ARTICLE XIII (PROBATIONARY PERIOD).

15.3 The EMPLOYER has the right of final decision in the selection from all applicants (internal and external) to fill jobs based on qualifications, abilities and experience.

15.4 Job vacancies within the designated bargaining unit will be posted for five (5) work days so that members of the bargaining unit can be considered for such vacancies.

ARTICLE 16. SENIORITY

16.1 Seniority will be the determining criterion for layoff only when all job relevant qualification factors are equal.

16.2 Seniority will be the determining criterion for recall when the job-relevant qualification factors are equal. Recall rights under this provision will continue for twelve (12) months after layoff. Recalled employees shall have ten (10) working days after notification of recall by registered mail at the employee's last known address to report to work or forfeit all recall rights.

16.3 On January 1st of each year, the EMPLOYER shall post a seniority list showing each EMPLOYEE'S accumulated seniority and job classification seniority.

ARTICLE 17. INSURANCE

17.1 The EMPLOYER will contribute the following, per month, per full time employee for insurance which can be used towards medical insurance coverage, dental insurance coverage, supplemental life insurance coverage, AFLAC coverage or deferred compensation. Employees must elect single medical insurance coverage, at a minimum.

2017 - \$1,085 per month.

2018 - \$1,145 per month

17.2 January 1, 2008 the EMPLOYER will provide a fifty thousand dollar (\$50,000.00) life insurance policy per year for each full time employee.

ARTICLE 18. HOLIDAYS

18.1 Full time employees shall receive the following paid holidays:

- | | |
|------------------------|-----------------------|
| New Year's Day | Labor Day |
| Martin Luther King Day | Veterans Day |
| Presidents Day | Thanksgiving Day |
| Memorial Day | Christmas Eve Day |
| Independence Day | Christmas Day |
| | Two Floating Holidays |

18.2. Employee's required to work on holidays shall be paid one and one-half (1 1/2) times the employee's base pay rate for hours worked in addition to their holiday pay.

18.3. In the event that a holiday falls on a Sunday, the following Monday shall be a paid holiday, and if any of these fall on a Saturday, the preceding Friday shall be a paid holiday.

18.4. Employees shall be required to work their last regularly scheduled work day prior to the holiday and their next regularly scheduled work day after the holiday to qualify for holiday pay, unless the employee is absent due to illness, accident or is on vacation.

ARTICLE 19. PART-TIME EMPLOYEES

19.1. Part-time employees who are regularly scheduled to more than twenty (20) but less than forty (40) hours per week shall be eligible for pro-rata benefits under this AGREEMENT in the areas of holidays, vacation, and sick leave and eligible for insurance benefits as determined by the EMPLOYER.

ARTICLE 20. VACATIONS

20.1. The following vacation schedule is based on the date of full-time employment with the City of Dayton for all employees hired after April 1, 2012. Full-time employees will earn vacation as follows:

<u>Years of Continuous Full-Time Service</u>	<u>Vacation</u>
0 - 5 years	6.67 Hours/Month
5- 10 years	10 Hours/Month
10-15 years	12 Hours/Month
16 - 20 years	14 Hours/Month
20 years	15.33 Hours/Month

Every full-time employee having less than five (5) years consecutive full-time service shall earn vacation leave at the rate of 5/6 working day for each calendar month of full-time service. Each full-time employee with at least five (5) but less than ten (10) consecutive years of full-time service shall earn vacation leave at the rate of one and one-quarter (1¼) working days for each calendar month of full-time service; and each full time employee with at least ten (10) years of consecutive full- time service shall earn vacation leave at the rate of one and one-half (1½) working days for each calendar month of full time service, and each full time employee with at least sixteen (16) years of consecutive full- time service shall earn vacation leave at the rate of one and three quarters (1¾) working days for each calendar month of full time service. Full-time employees with over twenty (20) years of consecutive full time service shall earn vacation leave at the rate of (1.91625) working days for each calendar month of full time service.

20.2 Full-time employees will earn vacation as follows:

Less than five (5) years of continuous service 6.67 hrs. per full month worked.

Less than ten (10) years of continuous service 10.00 hrs. per full month worked.

Less than sixteen (16) years of continuous service 12.00 hrs. per full month worked.

Less than twenty (20) years of continuous service 14.00 hrs. per full month worked.

More than twenty (20) years of continuous service 15.33 hrs. per full month worked.

20.2 Employees may accumulate no more than two (2) times the amount of vacation that they can earn in a year.

20.3 Employees who leave the employ of the EMPLOYER in good standing will be paid their accumulated vacation.

20.4 The estate of an employee who dies while employed by the Employer will be compensated for vacation leave accrued and unused, in addition to any accrued compensation time and severance pay per Article 24.

20.5 Each January, beginning in 2013, employees with a minimum of 120 banked vacation and sick leave hours can elect a one-time cash payout of up to 40 hours of vacation time at their current hourly rate of pay, provided at least 40 of the 120 hours are banked in their sick leave account.

ARTICLE 21. JURY DUTY

Employees required to serve on jury duty shall be allowed the difference of pay by department for all full days absent. An employee excused from jury duty prior to the end of the employee's duty day shall return to work.

ARTICLE 22. SICK LEAVE

22.1 Full-time employees will earn sick leave at the rate of eight (8) hours per full month worked to a maximum of nine hundred and sixty (960) hours.

22.2 Employees may use up to two (2) hours of sick leave each month for short and long term disability insurance as required by law.

ARTICLE 23. FUNERAL LEAVE

Full time employees will be paid up to a maximum of three (3) working days for a death of an Employee's spouse, child, grandchild, father, mother, grandparents, siblings, or the death of a spouse's mother/father. Sick leave can be used for all other relatives. This will be prorated for part-time employees.

ARTICLE 24. SEVERANCE PAY

Employees with more than five years of continuous service who terminate their employment in good standing will be paid up to a maximum of one third (1/3) of their accumulated sick leave or the employee may choose to transfer the accumulated sick leave amount to a Post Retirement Health Care Savings Fund.

The Employer will make Deferred Compensation Plans available to employees.

ARTICLE 25. WAIVER

25.1 Any and all prior agreements, resolutions, practices, policies, rules and regulations regarding terms and conditions of employment, to the extent in consistent with the provisions of this AGREEMENT, are hereby superseded.

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

ARTICLE 26. DURATION

This AGREEMENT shall be effective as of January 1, 2017, and shall remain in full force and effect until the 31st day of December, 2018.

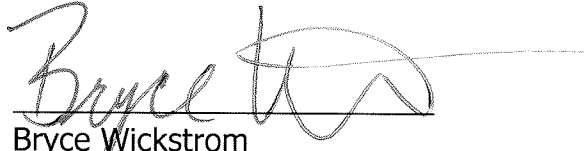
IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT on this 13th day of December 2016.

FOR THE CITY OF DAYTON

FOR THE AMERICAN FEDERATION OF STATE,
COUNTY & MUNICIPAL EMPLOYEES, MN COUNCIL 5



Tim McNeil
Mayor



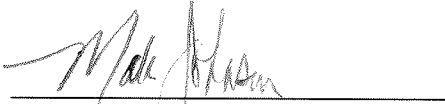
Bryce Wickstrom
Field Representative,
AFSCME MN COUNCIL 5



Tina Goodroad
City Administrator



Lynn Reichstad
Local 2454, Union Steward



Mark Johnson
Local 2454, Union Steward

Appendix A: Wage and Classification Rates.

Beginning on January 1, 2008 movement through the steps below is contingent on an employee's satisfactory performance. Employee's adjudged unsatisfactory in their performance will not move a step on their anniversary date of employment. Employees adjudged to be exceptional in their performance may be moved more than one step on their anniversary date. Newly hired employees may be started at any step shown in the salary schedule for their job classification.

AFSCME WAGES Effective January 1, 2017:

Job Classification	2017	
	Step	Hourly
Grade 3: Maintenance Worker, Police Administrative Assistant, Associate Planner, Deputy City Clerk/Fin. Clerk	1	21.53
	2	22.39
	3	23.29
	4	24.21
	5	25.18
	6	26.19
	7	27.24

AFSCME WAGES Effective January 1, 2018:

Job Classification	2018	
	Step	Hourly
Grade 3: Maintenance Worker, Police Administrative Assistant, Associate Planner, Deputy City Clerk/Fin. Clerk	1	22.07
	2	22.95
	3	23.87
	4	24.82
	5	25.81
	6	26.84
	7	27.92

Public Works Employees who earn and maintain job relevant licenses will receive an additional \$0.50 cent per hour, per license earned.

Everything contained in the contract will be paid retroactive to January 1, 2017 to all employees.

Appendix B: Grandfathered Employees-The following employees are covered under Article 20.2 and are grandfathered:

Lynn Reichstadt

Mark Johnson

Mark Carlson

Victor Martinez

Martin Farrell

In the event any of these employees have a change of status from part time to full time, they will continue to be covered under Article 20.2.