

CITY OF GRAND MARAIS

AND

AMERICAN FEDERATION OF STATE, COUNTY
AND MUNICIPAL EMPLOYEES

MINNESOTA AFSCME COUNCIL 5

2026-2028

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LABOR AGREEMENT
BETWEEN
CITY OF GRAND MARAIS
AND
AFSCME COUNCIL NO. 5

Preamble

This labor agreement, entered into as of January 1, 2026, by and between the City of Grand Marais, a Minnesota municipal corporation, referred to herein as the “Employer” and American Federation of State, County, and Municipal Employees, Minnesota AFSCME Council 5, referred to herein as the “Union.”

ARTICLE 1 – PURPOSE OF AGREEMENT

The intent and purpose of this Agreement is to:

- 1) Establish certain hours, wages and other terms and conditions of employment, as defined in Minnesota Statutes c. 179A.
- 2) Establish procedures for the resolution of disputes concerning the interpretation and/or application of this Agreement.

ARTICLE 2 – DEFINITIONS

- 2.1 “Employer”: The term “Employer” shall mean the City of Grand Marais.
- 2.2 “Gender”: Whenever any words are used in this Agreement in the masculine gender, they shall also be construed to include the feminine or neuter gender in all situations where they would so apply.
- 2.3 “Seasonal Employee”: The term “seasonal employee” shall mean an employee who works at a City facility which is open not more than seven (7) months per year.

ARTICLE 3 – RECOGNITION

3.1 The Employer recognizes the Union as the exclusive representative of a bargaining unit consisting of all employees of the City of Grand Marais, Minnesota, who are public employees within the meaning of Minnesota Statute 179A.03, Subd. 14, excluding supervisory, confidential, and essential employees.

3.2 In the event that any job classification is created within the City after the effective date, but during the term of this Agreement, and such position is filled by the Employer, the parties agree to meet and confer on whether or not such person shall be represented by the Union prior to making a request to the Director of the Bureau of Mediation Services for a unit designation for such person.

3.3 The Employer shall deduct from the paychecks each month an amount sufficient to provide the payment of regular dues or fair share fee established by the Union from the wages of all bargaining unit members authorizing such deduction, in writing, and remit such deductions to the appropriate officer designated by the Union within ten (10) days after the month from which such deductions are made.

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 Employer as a result of any action taken or not taken by the employer under Paragraph 3.3 of this Agreement.

3.5 The Union shall keep the Employer advised in writing of the names of any stewards and alternates.

ARTICLE 4 MANAGEMENT RIGHTS

The Employer retains the full and unrestricted right to operate and manage all manpower, facilities and equipment; to establish functions, policies and programs; to set and amend budgets; to determine the utilization of manpower and technology; to establish and modify the organizational structure; to determine the qualifications for positions and of applicants; to hire, assign, direct and determine the number of personnel; to issue, amend and revise policies, rules, regulations and practices; and to establish work schedules. Provided, however, the Employer shall meet and confer with the Union before using independent contractors or subcontractors to perform work which would otherwise be performed by bargaining unit members. All rights and authorities which the Employer has not specifically abridged, delegated or modified by expressed provisions of this Agreement are retained by the Employer. The Employer's failure to exercise any right, prerogative, or function hereby reserved to it, or the Employer's exercise of any such right, prerogative or function in a particular way, shall not be considered a waiver of the Employer's right to exercise the same in some other way not in conflict with the express provisions of this agreement.

ARTICLE 5 – UNION RIGHTS AND ACTIVITY

5.1 The Employer shall notify the Union of the name of each new employee at the time of hire. The Union shall be entitled to up to 15 minutes with each new employee hired by the employer to introduce them to the union contract and educate new employees of their rights and responsibilities under the agreement. The Union shall notify the Employer who the Union appoints to conduct this conversation. The Employer will notify the designated person when a new employee is hired. The 15 minutes shall be at a time mutually agreed to by the employee and the Union within the first two weeks of employment.

5.2 Any employee who is required to be absent from duty to attend meetings as a Union representative shall be granted the necessary time off to attend such meetings without loss of pay, without discrimination and without loss of seniority rights or any other rights granted by the Employer under this Agreement. Any such absence from duty shall be subject to the approval of the Department Head and shall not be granted if the absence would disrupt necessary Employer functions. The Union shall reimburse the Employer for the full cost of the employee's lost time and for any extra overtime cost incurred by the Employer as a direct result of the employee being absent.

5.3 The Union shall be permitted the use of employee bulletin boards located on premises of the employer for the posting of matters of interest to the members provided the postings are not political. The Employer is not obligated to provide additional bulletin boards, to post any materials on the bulletin boards for the Union or to assure that the Union's use of the bulletin boards is exclusive.

5.4 Representatives of the American Federation of State, County, and Municipal Employees Union shall have access to the premises of the employer at reasonable times and subject to reasonable rules to investigate grievances and other problems that affect the Union members. Union representatives shall not interrupt works in progress of the employees.

ARTICLE 6 – WAGES, WORK SCHEDULES, OVERTIME

6.1 Wages: For calendar year 2026-2028, employees shall be paid the hourly wages set forth in Appendix A. The pay period shall run from 12:01 a.m. Sunday through 11:59 p.m. Saturday. Paychecks shall be issued within two weeks after the end of the pay period. Any back pay resulting from the settlement of this agreement shall be effective the first day of the pay period closest to January 1.

6.2 Work Schedules: The Employer shall determine the work schedules. Unless mutually agreed upon, an employee's normal work schedule shall not be changed without seven (7) calendar days' advance notice to the employee, except in the case of emergencies. The advanced notice requirement of this paragraph does not apply where the Employer increases or decreases the employee's hours of work for the day due to unexpected changes in the Employer's needs for

the day. Flextime schedules may be had upon agreement with the Employer.

6.3 Out of Class Work: An employee who is assigned to work in a higher paid classification shall receive the minimum rate of pay for the higher paid classification (90% of base). Except in case of emergency, written authorization for assignment to work in a higher paid class must be obtained in advance of the employee's assignment from the supervisor. (In an emergency, the employee must request written confirmation of the out of class assignment as soon as possible). The written authorization shall be subject to the written approval of the Employer or its designee. If an employee is directed to work out of class by the supervisor and the supervisor has not provided the employee with a written assignment approved in writing by the supervisor and the Employer or its designee, the employee, except in case of emergency, shall have the right to refuse the assignment to work in the higher paid classification. An employee who is hired in a different classification on an unscheduled, fill-in basis, shall continue to receive the rate of pay for the employee's regular classification.

6.4 Additional Hours of Work: When additional hours become available in a classification, the Employer shall consider distribution of the hours to qualified employees in the classification based on seniority, but the Employer shall not be required to distribute the hours by seniority.

6.5 Lunch, Breaks: There shall be a thirty (30) minute unpaid duty-free lunch period except where otherwise agreed between the employee and the Department Head. A rest break of fifteen (15) minutes shall be permitted during each four-hour shift. The rest break shall be given at such time as may be authorized by the Department Head. Employees shall remain at the work site during the rest breaks. For employees working out of a City vehicle, the rest break shall be taken in the City vehicle or at the location where the employee is working.

6.6 Overtime: For employees who are not exempt under the Fair Labor Standards Act, hours worked in excess of forty (40) hours per week will be compensated at one and one-half (1 ½) times the employee's base pay rate. Base pay rate means the employee's straight time rate of pay plus any applicable shift differential or longevity. "Hours worked" means hours actually worked, authorized paid vacation, sick leave or holiday pay but "hours worked" does not include compensatory time off. In the case of a call out, "hours worked" means hours actually worked during the call out but not less than the two hour minimum. Overtime shall be calculated to the nearest fifteen (15) minutes. For the purpose of computing overtime, the work week will end at 11:59 p.m. Saturday (midnight). All overtime worked must be authorized in advance by the Department Head or a designee of the Department Head appointed by the Employer. Overtime shall be distributed as equitably as practicable within a classification. Overtime refused by employees will, for purposes of overtime distribution, be considered as unpaid overtime worked. A written report concerning overtime will be filed by the employee with the employee's supervisor on the next day after the overtime is worked, on a form provided by the Employer.

Employees may elect to be compensated for overtime in cash or compensatory time. All employees may bank up to a maximum of one-hundred-and-twenty (120) hours of compensatory time at any one time, such time to be recorded by the Employer. Up to eighty (80) hours of banked compensatory time off due an employee at the end of the calendar year shall, at the request of the employee, be paid to the employee in the paycheck for the next scheduled payroll.

Overtime will be paid at the employee's current rate. At the employee's written request, said payment may be deposited by the employer directly to the employee's HSA up to the maximum amount allowed by law.

The distribution of compensatory time off shall be at the discretion of the Employer and upon request of the employee. Employees will give at least 24 hours notice when requesting compensatory time off. The Employer shall give 24 hours notice if there is a need to cancel compensatory time off unless an emergency situation arises.

6.7 Maximum Consecutive Hours: Employees shall not be required to work more than sixteen (16) consecutive hours, to be followed by a minimum of eight (8) hours off before being required to return to work.

6.8 Call Back: An employee who is called back to duty during the employee's scheduled off duty time shall receive a minimum of three (3) hours pay at the straight time rate of pay.

6.9 Pay Plan Placement, Promotions, Upgradings: Placement at a step on the pay plan shall be based on an employee's years of continuous service in the employee's current classification.

An employee who is promoted to a higher paid classification shall be placed on the pay plan at a step in the pay grade for the higher paid classification which will result in the employee receiving a pay increase of at least 2% as a result of the promotion. The promoted employee will then move to higher steps on the pay plan based on the employee's years of continuous service in the promoted classification. In the event that an employee's classification is upgraded, the employee's step placement will not be affected by the upgrading. An upgrading occurs when a classification retains a significant portion of its current duties and has added to it additional duties which have caused the Employer to authorize a pay increase.

6.10 Retired Employees Rehire: Any employee who retires on Social Security and/or P.E.R.A., and who desires to return to work on a part-time basis in the same job classification from which he/she retired, may maintain his/her pay rate and step as a part-time employee, but he/she shall forfeit all seniority rights as provided for in Article 7.1.

6.11 Lineworker Apprenticeship: Lineworkers who are hired without journeyman qualifications will be classified as apprentices. Apprentice lineworkers will be placed in the Merchant apprenticeship program or a similar program designated by the City. Apprentice pay shall be 80% of the base pay for lineworkers in the first step of the program, 85% in step 2, 90% in step 3, and 95% in step 4. Progression through the program steps requires successful completion of required tests and fieldwork. New hires may be placed in the appropriate step of the apprenticeship program based on experience at the sole discretion of the City. Up to four years time served as an Apprentice applies in determining Lineworker step increases.

6.12 Stand-By Duty: Lineworkers will be paid an amount equivalent to 18 hours regular pay for one week of stand-by duty. This pay will not be counted towards hours worked for any calculation. Lineworkers on stand-by duty are required to be available for work as per the City

stand by policy 24 hours a day.

6.13 Water/Wastewater Operations Specialist. A Water/Wastewater Operations Specialist who obtains a license shall be compensated a wage differential according to the following scale:

License	None	D	C	B
Wastewater	As contracted	+\$0.25/hour	+\$0.50/hour	+\$0.50/hour
Water	As contracted	+\$0.25/hour	+\$0.50/hour	+\$0.50/hour

ARTICLE 7 SENIORITY

7.1 Seniority shall be granted to all employees who have completed their probation period. Seniority is to be determined by total length of continuous employment for the City of Grand Marais beginning with the original date of employment. Separate seniority lists shall be maintained for full-time, part-time and seasonal employees.

7.2 Seniority shall be broken or lost by an employee’s voluntary resignation from employment or by the employee’s discharge filed in writing for cause and after a hearing if requested by the employee.

7.3 No seniority shall be broken or lost for an employee by illness, authorized leave of absence, or layoff for so long as the employee is on the recall list.

7.4 Seniority shall be by department for layoffs. Layoff shall occur as stated in Article 9.

ARTICLE 8 – EMPLOYEE SELECTION, PROBATION

8.1 Selection: If the Employer determines to fill a vacancy for a permanent job opening in the bargaining unit, the Employer shall post notice of the vacancy for a period of ten (10) days. Persons interested in making application for such posted vacancy shall do so within the ten (10) day posting period. All persons making such application who meet the minimum qualifications for the position shall be considered for the vacancy. The Employer will fill the vacancy with the applicant whose job-relevant qualifications are most suited, in the exclusive judgment of the Employer, to the requirements of the job.

8.2 Promotion: The Employer encourages employees to apply for vacancies in higher paid positions which are posted in accordance with Paragraph 8.1, provided the employee meets the minimum qualifications for the position. Selection of the successful applicant shall be in accordance with the procedures set forth in Paragraph 8.1. With respect to promotional vacancies, where the job-relevant qualifications of the two most qualified applicants are equal, in the exclusive judgment of the Employer, the position will be awarded to the senior applicant.

8.3 Probation: All new employees shall be subject to a probationary period of 1,040 hours of continuous paid service. The probationary period may be extended, at the option of the Employer, for up to an additional 520 hours of continuous paid service. Provided, however, in no

event shall the initial probationary period, plus any extension, extend longer than one calendar year. An employee whose initial probationary period is extended shall be notified in writing, copy to the Union.

Existing employees who are transferred or promoted to a different job classification shall be subject to a probationary period of 90 working days in the new classification. During the first 60 working days in the new classification, a promoted employee shall have the option to voluntarily return to the employee's former classification

During the initial probationary period or extension thereof, if the employee's performance does not meet satisfactory standards, in the exclusive judgment of the Employer, then the Employer may dismiss the employee, and the Employer's decision is final and shall not be deemed a breach of this Agreement nor be subject to the grievance or arbitration procedure of this Agreement. During the probationary period for an employee who has been transferred or promoted, if the employee's performance does not meet satisfactory standards, in the exclusive judgment of the Employer, then the Employer shall return the probationary employee to a position in the employee's prior classification. If there is no available position, the employee will be placed in layoff status. The Employer's decision is final and shall not be deemed a breach of this Agreement nor be subject to the grievance or arbitration procedure of this Agreement.

Vacation and sick leave shall be earned by the new employee during the initial probation period but will not be available for use. If employment is terminated during a new employee's initial probationary period, or extension thereof, no sick leave, vacation or other benefits shall be due to the employee. Employees in their original probationary period, or extension thereof, shall not be entitled to leaves of absence except as required under State or Federal statutes.

ARTICLE 9 – LAYOFF, RECALL

9.1 Layoff Procedure: The Employer will determine the timing of any layoffs, the number of employees to be laid off, and the job classifications affected. The Employer will indicate whether the layoff will be from a full-time position, a part-time position, or a seasonal position. The Employer will then layoff employees in a classification in a department (either full-time, part-time, or seasonal, as designated in the notice of layoff) in the inverse order of seniority, with the least senior employee being laid off first.

Bumping rights shall be available only to non-seasonal employees who are on the payroll more than seven (7) months per year and who meet the minimum qualifications for the position for which they intend to bump into. A full-time employee may bump a less senior full or part-time employee, and a part-time employee may bump a less senior part-time employee. A full-time employee who is eligible to bump but does not have sufficient seniority to bump within the department may bump a less senior employee in another department in a position in which the bumping employee meets the present minimum qualifications for the position.

An employee who is laid off shall have recall rights as provided in Section 9.2.

9.2 Recall Procedure: If the Employer determines to fill a vacancy in a classification from

which employees are laid off, employees who are laid off will be recalled in the reverse order of layoff. The Employer will forward notice of recall by certified mail to the last known address of the employee reflected on Employer records. The employee must, within ten (10) calendar days of delivery or attempted delivery of the notice of recall, notify the Employer of his/her intent to return to work on the date specified for recall and, thereafter, return to work on such date. An employee who fails to notify the Employer of intent to return to work or fails to report for work in timely fashion, as required by this paragraph, shall be deemed to have waived the right to be recalled to employment and shall lose all rights to be recalled in the future. Employees in layoff status shall retain recall rights for a period of two (2) years following the date of layoff.

ARTICLE 10 – VACATIONS

10.1 Paid Vacations: All full-time employees shall receive annual vacation leave as follows:

Years of Continuous Service	Hours of Vacation-
After one (1) year of continuous paid service	40 hours
After two (2) years of continuous paid service	80 hours
After five (5) years of continuous paid service	120 hours
After ten (10) years of continuous paid service	160 hours
After fifteen (15) years of continuous paid service	200 hours

10.1.B Regular part-time employees accrue vacation leave benefits on a pro rata basis from date of hire. The amount of vacation leave available will be based on the ratio of the total hours actually worked by the employee divided by the normal work year of 2080 hours.

10.1.C Seasonal employees who have worked a minimum of one year with the City of Grand Marais and average at least 30 hours per week of employment in the previous season shall accrue at the beginning of each season 24 hours of paid time off. This time off may be used in lieu of either vacation or sick leave and is subject to the rules of each as stated in 10.3 Vacation Schedules or 12.2 Use of Sick Leave. Any paid time off not used in the season accrued shall be paid to the employee in their final paycheck of the season.

10.2 Accumulation: Employees are encouraged to use accumulated vacation leave. Vacation may be accrued to a limit of one and one-half (1 ½) times the amount of vacation they are able to accrue in 10.1. Vacation earned and not used in excess of the maximum amount of accumulation shall be lost, and an employee may not receive pay in lieu of vacation, except that an employee who has worked at least 10 years may once per calendar year at a time determined by the employer request payment for up to 60 hours of accumulated vacation time. At the employee’s written request, said payment may be deposited by the employer directly to the employee’s HSA up to the maximum amount allowed by law. Vacation earned by employees shall be accrued during each bi-weekly pay period.

10.3 Vacation Schedules: The vacation schedule and all vacation requests shall be subject to approval of the Department Head based on the needs of the service. The Employer reserves the

right to cancel previously approved vacation where, in the exclusive judgment of the Employer, cancellation is necessary to meet the needs of the service.

10.4 Deceased Employee: In the event of death of any employee, any vacation or compensatory time accumulated to the credit of such deceased employee shall be compensated for and shall be paid in accordance with Minnesota Statutes, Section 181.58, as amended.

ARTICLE 11 – HOLIDAYS

11.1 Paid Holidays: Full-time employees shall annually be granted the following thirteen (13) paid holidays:

- | | |
|--|-------------------------------|
| New Year’s Day | Indigenous Peoples Day |
| Martin Luther King Day | Veterans Day |
| President’s Day | Thanksgiving Day |
| Memorial Day | Friday after Thanksgiving Day |
| Juneteenth | Christmas Day |
| Independence Day (4 th of July) | Two (2) Personal Days |
| Labor Day | |

*Employees hired prior to June 30 shall receive two (2) personal days for the calendar year of hire, and employees hired after June 30 shall receive one (1) personal day for the calendar year of hire.

Part time employees shall receive 4 hours of paid holiday for Thanksgiving and for Christmas Day, subject to all other requirements of Article 11.

Personal days must be taken in the year they accrue. Personal days may be taken at times approved by the Department Head. Seven (7) days’ advance request from the employee to the Department Head shall be required for approval to take personal days, except where the Department Head grants approval on shorter notice.

11.2 Holidays Worked: A full-time employee who is required to work on the day observed as a holiday shall be paid at one and one-half (1 ½) times the employee’s straight time rate for all hours worked on the holiday, in addition to the employee’s holiday pay (not to exceed eight (8) hours at straight time) or another day off at a later date, to be scheduled by mutual agreement of the employee and the Department Head.

Part-time, non-seasonal and seasonal employees who are required to work on the day observed as a holiday shall be paid one and one-half (1 ½) times the employee’s straight time rate for all hours worked on the holiday.

An employee who is scheduled to work on a designated holiday and fails to report as scheduled shall not be eligible for holiday pay for the holiday and may be subject to other discipline also.

11.3 Weekends: When any of the designated holidays fall on a Sunday, the following Monday

shall be observed as the holiday. When any designated holiday falls on Saturday, the previous Friday shall be observed as the holiday.

11.4 Eligibility: 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 in order to qualify for holiday pay, unless the employee is absent on approved paid leave. When a holiday falls during an employee's approved vacation period, the day shall be recognized as a holiday and not as a day of vacation.

ARTICLE 12 – SICK LEAVE

12.1 Earned Sick and Safe Time (ESST) Accrual. All employees shall accrue .0334 hours of ESST leave for every hour paid. Accrued ESST leave may be accumulated to a maximum eighty (80) hours.

12.2 Sick Leave Accrual: Full-time employees shall accrue 2.868 hours of available sick leave for each pay period of working employment. Accrued sick leave may be accumulated to a maximum of eight hundred eighty (880) hours.

12.2.B Regular part-time employees shall accrue sick leave benefits on a pro rata basis from the date of hire at .0359 hours sick leave per hour worked. , Accrued sick leave may be accumulated to a maximum of eight hundred eighty (880) hours.

12.3 Use of Sick Leave

a. Accumulated sick leave may be used for absences from work necessitated by illness, injury, or pregnancy-related disabilities as required by law, or for parental leave as described in 13.6. Written medical documentation may be required by the Employer for the use of sick leave in excess of two (2) days.

b. Accumulated sick leave may also be used for the time required to make arrangements as are necessary for medical, dental, or nursing care because of serious illness or injury in the immediate family of the employee. "Immediate family" means only the employee's spouse, in-laws, parent or stepparent, children or stepchildren, siblings, grandparents, grandchildren, and legal wards. Additional sick leave may be taken pursuant to this Paragraph 12.3. b. subject to advance approval of the Employer. The Employer may at any time, request employees to submit a medical certificate from an attending or employee's designated physician if abuse of this benefit is assumed.

c. An employee may use accumulated sick leave for up to five (5) consecutive days of absence in the event of death of a member of the employee's immediate family. "Immediate Family" is defined as the employee's spouse, parents or stepparent, children or stepchildren, grandchildren, or legal wards, brother, sister, grandparents, or in-laws. The amount of sick leave which may be used for bereavement purposes under this Paragraph, up to the maximum of five (5) consecutive days, shall be subject to approval of the Department Head. Additional necessary time off for bereavement leave in excess of five (5) consecutive days may be taken from the employee's accumulated paid leave (other than sick leave) or by

unpaid leave, with the approval of the Department Head.

d. Misuse of sick leave shall be just cause for disciplinary action.

12.3A Use of ESST:

- a. Accumulated ESST may be used for absences from work necessitated by:
 - i. Employee mental or physical illness, treatment or preventive care;
 - ii. A family member's mental or physical illness, treatment or preventative care;
 - iii. Absence due to domestic abuse, sexual assault or stalking of the employee or family member;
 - iv. Closure of the employee's workplace due to weather or public emergency or closure of a family member's school or care facility due to weather or public emergency;
 - v. When determined by a health authority or health care professional that the employee or a family member is at risk of infecting others with a communicable disease;
 - vi. Pregnancy-related disabilities as required by law, or for parental leave as described in 13.6.;
 - vii. Time required to make arrangements as are necessary for medical, dental, or nursing care because of serious illness or injury in the family of the employee; and
 - viii. An employee may use accumulated sick leave for up to five (5) consecutive days of absence in the event of death of a member of the employee's immediate family.
- b. Employees may use earned sick and safe time for the following family members:
 1. their child, including foster child, adult child, legal ward, child for whom the employee is legal guardian or child to whom the employee stands or stood in loco parentis (in place of a parent);
 2. their spouse or registered domestic partner;
 3. their sibling, stepsibling or foster sibling;
 4. their biological, adoptive or foster parent, stepparent or a person who stood in loco parentis (in place of a parent) when the employee was a minor child;
 5. their grandchild, foster grandchild or step-grandchild;
 6. their grandparent or step-grandparent;
 7. a child of a sibling of the employee;
 8. a sibling of the parents of the employee;
 9. a child-in-law or sibling-in-law;
 10. any of the family members listed in 1 through 9 above of an employee's spouse or registered domestic partner;
 11. any other individual related by blood or whose close association with the employee is the equivalent of a family relationship; and
 12. up to one individual annually designated by the employee.
- c. Written medical documentation may be required by the Employer for the use of ESST in excess of five (5) days. Additional ESST may be taken pursuant to this Paragraph

12.3A. c. subject to advance approval of the Employer. The Employer may at any time, request employees to submit a medical certificate from an attending or employee's designated physician if abuse of this benefit is assumed.

d. Misuse of ESST shall be just cause for disciplinary action.

12.4 Notification: Employees unable to report for their scheduled work day because of illness or injury shall notify their supervisor prior to the scheduled starting time, except if an employee is prevented by an emergency from notifying the supervisor prior to the scheduled starting time, in which case the employee shall notify the supervisor as soon as possible. Failure to give the notification required by this Paragraph shall be just cause for disciplinary action.

12.5 Worker's Compensation: Upon request of a full-time employee who is absent from work as a result of an injury sustained in the course of City employment for which the employee is eligible for compensation under the Minnesota Worker's Compensation Act, the employer will pay the difference between the benefit received by the employee pursuant to the Worker's Compensation Act and the employee's net normal daily wages, to the extent the employee has accumulated sick leave which is unused, with the payment to be deducted from the employee's accumulated sick leave. Such payment shall be made by the Employer to the employee only until the period of disability ends or until the employee's accumulated sick leave is exhausted, whichever occurs first. The deduction from the employee's accumulated sick leave shall be a prorated amount based on the worker's compensation benefit and the employee's normal daily wage.

12.6 Termination: Accumulated sick leave and ESST has no cash value at the time of separation from employment.

ARTICLE 13 – LEAVES OF ABSENCE

13.1 Jury Duty: An employee required to serve on jury duty shall be paid the employee's regular compensation for the scheduled work hours missed due to jury duty, provided the employee remits to the Employer jury pay which the employee receives. An employee who is excused after reporting to jury duty shall be required to return to work promptly.

13.2 Witness Duty: An employee subpoenaed by or required on behalf of the Employer to appear before a court, legislative committee, or other body as a witness shall be granted a leave of absence with pay.

13.3 Military Duty: The Employer shall follow State or Federal Statute as to payment of wages or salary during leave due to military duty.

13.4 Leave of Absence Without Pay: The Employer may grant up to one (1) year leave of absence without pay to any employee. The employee's benefits shall not accrue during the leave of absence without pay.

13.5 Absence Without Leave: No employee shall be absent from duty without permission from the employee's Department Head. Any employee absenting themselves from duty without leave or permission will be subject to disciplinary action. After three (3) days' absence, the Employer may declare the position vacant due to voluntary termination without notice.

13.6 Parental Leave: The Employer shall grant an unpaid leave of absence to an employee who is a natural or adoptive parent in conjunction with the birth or adoption of a child. The length of the leave shall be determined by the employee, but may not exceed six (6) weeks, unless agreed to by the Employer. The employee may use accumulated sick leave, ESST, or vacation during parental leave.

The leave shall begin at a time requested by the employee. The Employer may adopt reasonable policies governing the timing of requests for unpaid parental leave. The leave may begin not more than six (6) weeks after the birth or adoption; except that, in the case where the child must remain in the hospital longer than the mother, the leave may not begin more than six (6) weeks after the child leaves the hospital.

An employee returning from a parental leave of absence is entitled to return to employment in the employee's former position or in a position of comparable duties, number of hours, and pay. An employee returning from a parental leave of absence longer than one month must notify the Employer at least two weeks prior to return from leave.

If, during a parental leave, the Employer experiences a layoff and the employee would have lost a position had the employee not been on leave, pursuant to the good faith operation of the layoff and recall system of this Agreement, the employee is not entitled to reinstatement in the former or comparable position. In such circumstances, the employee retains all rights under the layoff and recall system which the employee would have had if the employee had not taken the leave.

An employee returning from an unpaid parental leave of absence is entitled to return to employment at the same rate of pay the employee had been receiving when the leave commenced, plus any automatic adjustments in the employee's pay scale that occurred during the leave period. The employee returning from an unpaid parental leave is entitled to retain all accrued pre-leave benefits of employment and seniority, as if there had been no interruption in service. An employee, by agreement with the employer, may return to work part-time during the leave period without forfeiting the right to return to employment at the end of the leave period.

13.7 Family and Medical Leave: Employees shall be eligible for a leave in accordance with the City of Grand Marais Family and Medical Leave Act Policy as adopted by the Employer. The Employer shall notify the union of any changes in the City of Grand Marais Family and Medical Leave Act Policy and shall, upon request of the Union, meet and confer with the Union regarding the changes.

ARTICLE 14 – INSURANCE

14.1 Health and Hospitalization Insurance: The Employer will purchase a policy of group health and hospitalization insurance and will pay 73% of the premium for full-time employees. Employees may opt out of all health insurance benefits provided by the City, including HSA

contributions and deductible reimbursements, provided they show proof of coverage from another source. Employees opting out of coverage may only do so during the enrollment period or because of a change of status acceptable to the City's insurer. The City will provide a form required to be completed by employees opting out of coverage.

14.1B The City will make monthly contributions to an HSA account for employees eligible for and opting for insurance coverage. This contribution shall total \$900 over a 12-month period per employee with single coverage and \$1700 over a 12-month period per employee with family coverage.

14.1C The City shall reimburse deductible payments under a post deductible Health Reimbursement Account plan of up to \$1,550 per single/ \$3,200 per family annual max. The City shall reimburse only after the employee has spent the federally required minimum amount on deductible payments.

14.2 Life Insurance: The Employer will purchase and pay the full employee premium for full-time employees for a policy of group term life insurance with a benefit amount of \$30,000; and for the permanent part-time employees for a policy of term life insurance with a benefit amount of \$15,000.

14.3 Effective Dates of Coverage: Coverage of an employee under the insurance programs set forth in Paragraphs 14.1 and 14.2 shall commence on the first of the month following the month of initial hire and the Employer's obligation to provide coverage shall terminate upon the employee ceasing to have full-time status, whether by resignation, discharge, strike, retirement, or death.

14.4 Employer Obligation Limited: Any description of insurance benefits contained in this article is intended to be informational only, and the eligibility of any employee for benefits shall be governed by the terms of the insurance policy. The Employer's only obligation is to pay such amounts as agreed to herein for premiums. The Employer has no liability for the failure or refusal of the insurance carrier to honor an employee's claim or to pay benefits, and no such action on the part of the insurance carrier shall be attributable to the Employer or constitute a breach of this Agreement by the Employer. Under no circumstances shall the Employer be responsible for paying any benefits under this Article 14. No dispute arising under or relating to this Article 14 shall be subject to the grievance and arbitration procedures of this Agreement, except an allegation that the Employer has failed to pay the premiums as required by this Article.

ARTICLE 15 – GRIEVANCE PROCEDURE

15.1 Definition: A "grievance" shall mean an allegation by an employee that the Employer has violated an express provision of this Agreement. The filing or pendency of a grievance shall in no way operate to impede, delay, or interfere with the right of the Employer to take the action complained of, subject to the final resolution of the grievance.

15.2 Adjustment of Grievances: The Employer and the employee shall address all grievances which may arise during the course of an employee's employment with the Employer in the

following manner:

Step 1. An employee having a grievance shall, within twenty-one (21) calendar days after the employee should reasonably have learned of the event giving rise to the grievance, discuss the grievance with the employee's immediate supervisor and indicate to the supervisor that the matter is a grievance. The supervisor will document in writing when the grievance was received. The supervisor will give an answer, in writing, within ten (10) calendar days after receipt of the grievance.

Step 2. An employee may appeal, in writing, the Step 1 answer to the City Administrator within ten (10) calendar days after receipt. The appeal must be in writing signed by the aggrieved employee and the Union. Upon request, the employee shall meet with the City Administrator to explain and discuss the grievance. The employee shall be given the opportunity to have a union representative present if the employee so chooses. The City Administrator will respond in writing to the grievance within ten (10) calendar days after receipt of the written appeal.

Step 3. An employee may appeal in writing the Step 2 answer to the City Personnel Committee within ten (10) calendar days after receipt of the Step 2 response. The hearing before the Personnel Committee shall be scheduled within ten (10) calendar days of receipt of the Step 3 appeal. The Employer's response shall be made within ten (10) calendar days after the hearing. The union steward or a representative shall be notified by the City of the time and place of the Step 3 hearing.

Step 4. A grievance which has been timely presented and processed in accordance with the Steps of the grievance procedure set forth in this Article and which remains unresolved after Step 3 may be appealed to arbitration in accordance with the arbitration procedures of this Article.

15.3 Arbitration Procedures: The following provisions and procedures shall govern arbitration proceedings under this Agreement:

Subd. 1. Request: A request to submit a grievance to arbitration must be in writing, and such request must be filed in the office of the City Administrator within ten (10) calendar days following the decision in Step 3.

Subd. 2. Prior Procedure Required: No grievance shall be considered by the arbitrator which has not been first duly processed in accordance with the grievance procedure and appeal provisions of this Article.

Subd. 3. Selection of Arbitrator: At the same time that the appeal to arbitration is filed with the City Administrator, the Union shall request the Minnesota Bureau of Mediation Services to submit a list of arbitrators from whom the parties shall select the arbitrator by alternatively striking names, with the first strike being determined by flip of the coin. Failure to promptly complete the arbitrator selection process or failure to request an arbitrator list from the Public Employment Labor Relations Board promptly shall constitute a waiver of the grievance.

Subd. 4. Hearing: The grievance shall be heard by a single arbitrator. Both parties may be

represented by such person or persons as they may choose and designate, and the parties shall have the right and opportunity to submit evidence, offer testimony and make oral or written arguments relating to the issues before the arbitrator. The proceeding before the arbitrator shall be a hearing de novo.

Subd. 5. Decision: The decision of the arbitrator in all cases shall be final and binding on the parties, subject only to appeal in accordance with the provisions of the Uniform Arbitration Act.

Subd. 6. Expenses: Each party shall bear its own expenses in connection with arbitration, including expenses related to the party's representatives, witnesses, and any other expenses which the part incurs in connection with presenting its case in arbitration. A transcript of the hearing shall be made at the request of either party. The party requesting the transcript shall notify the other party not less than ten (10) calendar days in advance of the hearing that a transcript will be prepared, and the requesting party shall pay the cost of the Court Reporter's attendance. Each party shall be separately responsible for the cost of its copy of the transcript. Each party shall be separately liable for one-half of the arbitrator's charges, including reasonable expenses.

Subd. 7. Jurisdiction: The jurisdiction and authority of the arbitrator and the arbitrator's opinion and award shall be confined exclusively to the interpretation and/or application of the express provisions of this Agreement at issue between the Union and the Employer. The arbitrator shall have no authority to add to, detract from, alter, amend, or modify any provision of this Agreement, to impose on either party a limitation or obligation not explicitly provided for in this Agreement, or to establish or alter any wage rate or wage structure. The arbitrator shall not hear or decide more than one (1) grievance without the mutual consent of the Employer and the Union. If the arbitrator finds that the grievance concerns matters not covered by this Agreement or that the procedures contained in this Article have not been adhered to, the arbitrator shall return the matter to the parties without decision. The arbitrator shall submit in writing the decision within thirty (30) calendar days following close of the hearing or the submission of written briefs by the parties, whichever is later, unless the parties agree to an extension.

15.4 Time Limitation and Waiver: If a grievance is not presented within the time limits required by this Article, it shall be deemed "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 response. If the Employer does not answer a grievance or an appeal within the specified time limits, the grievance shall be deemed denied and the employee, or the Union in the case of an appeal to arbitration, may immediately appeal the grievance to the next step. The time limits set forth in this Article may be extended by mutual written agreement of the Employer and the Union.

ARTICLE 16 – DISCIPLINE

16.1 Just Cause: The Employer shall discipline employees for just cause only. The Employer is committed to following principles of progressive discipline but the parties acknowledge that the degree of discipline in each case will be based on the facts of the case. Discipline will be in one or more of the following forms:

- | | |
|-------------------|----------------------|
| 1. Oral reprimand | 2. Written reprimand |
| 3. Suspension | 4. Demotion |
| 5. Discharge | |

If a written record is made of an oral reprimand, the employee shall receive a copy.

16.2 Written Record: Written reprimands, suspensions, demotions and discharges will be in written form. The written record of such disciplinary actions shall become a part of an employee's personnel file. Written records of oral reprimands shall not be placed in the employee's personnel file. The employee subject to discipline and the Union shall receive a copy of each written reprimand and notice of suspension, demotion or discharge. An employee shall be given opportunity to have a Union representative present at any questioning of the employee during a meeting with a supervisor for the purpose of determining what disciplinary action against the employee will be taken.

16.3 Discharge of Employees: The Employer shall not discharge any permanent employee without just cause. If, in any case, the employer feels there is just cause for discharge, the employee will be suspended without pay for the five (5) working days immediately preceding the date the discharge is effective, and the employee and the Union will be notified, in writing, that the employee is subject to discharge and shall be furnished with the reasons therefore.

16.4 Personnel Records: Investigations which do not result in disciplinary actions shall not be entered into the employee's personnel office records. At the request of the employee, written reprimands will be purged from the employee's personnel file and be of no effect five (5) years after the date on which the employee acknowledged the reprimand if the employee has not been the subject of further disciplinary action during that five (5) year period. Employees shall have access to their personnel file under supervision of the City Administrator or Finance Director during business hours Monday through Friday without undue delay.

ARTICLE 17 – NONDISCRIMINATION, WORK STOPPAGES

17.1 Equal Application: All employment practices and economic opportunities shall be nondiscriminatory in compliance with current applicable federal and state statutes and regulations and local ordinances. No person shall, on the basis of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or age, be subjected to discrimination in any terms and conditions of employment or be excluded from employment or economic opportunities by the Employer. The Union shall represent all employees in the bargaining unit without discrimination.

17.2 Work Stoppages: Neither the Union, its officers or agents nor any of the employees covered by this Agreement will engage in, encourage, sanction, support or suggest any strike, slow down, mass resignations, mass absenteeism, the willful absence from one's position, the stoppage of work or the absenting in whole or in part of the full, faithful and proper performance of duties of employment for the purpose of inducing, influencing, or coercing a change in the conditions, compensation or the rights, privileges or obligations of employment, for the duration of this Agreement, except as otherwise permitted by law. In the event of a violation of this

Article, the Union agrees to warn employees of the consequences of their action and shall instruct them to immediately return to their normal duties.

ARTICLE 18 – SAFETY

18.1 Employer Policy: It shall be the policy of the Employer that the safety of employees, the protection of work areas, the adequate training in necessary safety practices, and the prevention of accidents are a continuing and integral part of its everyday responsibilities.

18.2 Employee Responsibility: It shall also be the responsibility of all employees to cooperate in the programs to promote safety to themselves and the public and to comply with rules promulgated to insure safety. The employee responsibility shall include the proper use of all safety devices in accordance with recognized safety procedures.

18.3 Safety Officer: The Employer shall appoint a Safety Officer to deal with work place safety matters as determined necessary by the Employer. The Union shall appoint one unit member who shall be designated the Union's safety representative. The safety representative may discuss safety issues with the Safety Officer as they mutually deem appropriate. The safety representative shall obtain the permission of his/her supervisor before interrupting work to contact the Safety Officer during working hours. Such contacts shall only be for the time and frequency reasonably necessary to discuss legitimate safety concerns. The safety representative shall promptly report to the Personnel Coordinator any lost work time due to his/her activities as safety representative and the Employer shall be reimbursed by the Union for the lost work time pursuant to Paragraph 5.2 of this Agreement.

18.4 Safety Shoes: Employees shall be allowed once in every year a safety shoe reimbursement allowance of up to \$250 upon presentation of receipt. Employees may use this allowance for multiple purchases, but shall not exceed \$250 in a twelve (12) month period. All safety shoes shall meet ANSI standards. Part-time and seasonal employees eligible for this allowance must have at least one full year of City employment. Full time employees eligible for this allowance must successfully complete their probationary period prior to reimbursement. All employees eligible for this allowance must work in a position where safety shoes are required by OSHA.

ARTICLE 19 – OUTSIDE EMPLOYMENT, VOLUNTEER EMERGENCY RESPONDING

19.1 Outside Employment: Employees may be permitted to engage in outside employment subject to the following restrictions:

- a. Any outside employment is secondary to City employment and shall not interfere with proper performance of City employment nor create a conflict of interest with City employment. Outside employment shall not interfere with the employee's requirement to report for City work refreshed and ready to work.

- b. No employee shall accept pay or compensation from anyone for time during which he/she is reimbursed by the City, except where approved in advance by the Employer.
- c. No employee shall accept employment which will involve the use of City equipment, facilities, or materials.

An employee who fails to comply with the above conditions may be subject to discipline at the discretion of the Employer.

19.2 Volunteer Emergency Responding: Employees who serve the community in voluntary emergency organizations shall be excused from work to respond to emergency calls of the emergency organization. If responding to an emergency call during duty time, the employee will continue to be paid his/her wages and benefits provided, however, the employee must return to work as soon as possible. The employee must make reasonable attempts to notify the employee's immediate supervisor of the absence. The right to be absent from work with pay pursuant to this Paragraph is limited to responding to one volunteer emergency organization per employee. The employee will designate the one organization, and the designation shall not be changed during the calendar year.

ARTICLE 20 – LICENSES, EXPENSES

20.1 Licenses: When the Employer requires an employee to retain a certificate or license for classifications, the Employer shall pay the cost of such certificate or license. If additional training is required to maintain these certificates or licenses, the Employer shall pay the reasonable and necessary cost to maintain them.

20.2 Expense Policy: Mileage, meals, hotel and lodging expense reimbursement and other travel expenses shall be paid in accordance with the City's expense reimbursement policy.

ARTICLE 21 – MEMBERSHIPS

21.1 Memberships: Full time employees will be reimbursed up to \$200 annually for memberships to City owned recreational facilities.

ARTICLE 22 – SCOPE OF AGREEMENT

22.1 Duration: This Agreement shall become effective as of January 1, 2026, and shall remain in full force and effect through midnight, December 31, 2028. Thereafter, it shall automatically renew itself and continue in full force and effect from year to year unless written notice of election to terminate or modify any provisions of this Agreement is given by one party, and received by the other not later than ninety (90) days prior to expiration of the Agreement.

22.2 Separability: This Agreement is subject to the laws of the United States and the State of Minnesota. If any term or provision of this Agreement is, at any time during the life of this Agreement, adjudged by a court or administrative body of competent jurisdiction to be in conflict

with any law, such term or provision shall become invalid and unenforceable, but the invalidity or unenforceability shall not impair or affect any other term or provision of this Agreement. The voided provisions may be renegotiated upon written request of either party.

22.3 Waiver, Amendments: The parties 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 subject matter not removed by law from the area of collective bargaining, and that the understanding and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement

This Agreement contains the entire understanding, undertaking, and agreement of the Employer and the Union, after exercise of the right and opportunity to fully collectively bargain and reach agreement, and this Agreement finally determines all matters of collective bargaining for its duration period. Changes in this Agreement, whether by addition, waiver, deletion, amendment, or modification, are not enforceable unless reduced to writing and executed by authorized representatives of the Employer and the Union.

CITY OF GRAND MARAIS

AMERICAN FEDERATION OF
STATE, COUNTY & MUNICIPAL
EMPLOYEES, CITY AND
COUNTY LOCAL 66 AS
REPRESENTED—MINNESOTA
AFSCME COUNCIL 5

Signed by:

Tracy Benson

0FF6C85E68094BC

MAYOR

Signed by:

Wendy Wohlwend

290E78345050408

PRESIDENT, LOCAL 66

Signed by:

Mike Roth

4D1871450568126

CITY ADMINISTRATOR

Signed by:

Gary Vendela

83FDFD937FE40E

FIELD DIRECTOR, COUNCIL 5

Heather Davis _____
BUSINESS REPRESENTATIVE,
COUNCIL 5