



STAFF REPORT

DATE: March 19, 2024

CONSENT

AGENDA ITEM: Approve Tentative Agreement with Local 49ers

SUBMITTED BY: Karissa Goers, Administrative Services Director

REVIEWED BY: Marty Powers, Public Works Director

BACKGROUND:

The existing Labor Agreement with the Local 49ers expired on December 31, 2023. City staff and Local 49 entered into negotiations starting in Fall 2023. No agreement was reached, so the City and Local 49 entered into mediation on February 28th. A tentative agreement was reached after one day of mediation and the members of the labor union voted to accept the 2024 agreement.

ISSUE BEFORE COUNCIL:

Should Council approve the 2024-2026 Labor Agreement with Local 49?

PROPOSAL DETAILS/ANALYSIS:

The contract documents the parties' agreements related to wages and other working conditions and lays out the process for addressing disputes.

The new contract remains consistent with the contract that expired on December 31, 2023, except for the following alterations;

- This contract moves from the City's recent one-year contract with Local 49 to a three (3) year contract, ending December 31, 2026.
- The City will cover 90% of the health insurance premium increase for 2024, which is a 1% increase to the City's current contribution.
- Juneteenth will be added to the Holiday list.
- Memorial Day and July 4th will be added to holidays where double-time compensation will be paid for hours worked.
- Adding a one-time boot allowance for winter boots of \$225 in 2025.
- Update PTO language per the request of the Minnesota State Retirement System.
- Wage increases. The union is requesting to adopt the city's current 2024 salary range and step plan. They will receive a 3% increase on their current 2023 wages and then be placed at the corresponding step on the City's 2024 Salary Range and Step Plan. They will move to the next step on January 1st following the City's annual review period. They are requesting a 3% COLA increase for 2025 and 2026. A wage scale reflecting these changes is attached. This request is consistent with what non-represented employees have received. However, it should be noted that if the 2025 and 2026 COLA increase varies from 3% for non-represented employees, then the City may end up with two salary range and step plans, one for represented employees and one for non-represented employees.

FISCAL IMPACT:

The proposed wage increase has been provided for in the 2024 budget. Additionally, the 2024 budget included an increase for all insurance plans which covers the additional 1% contribution. The 2025 and 2026 proposed wages will need to be considered during planning for those budget years.

OPTIONS:

1. Approve the 2024-2026 Tentative Agreement between the City of Lake Elmo and the International Union of Operating Engineers Local 49
2. Do not approve the 2024-2026 Labor Agreement and direct additional negotiations with the union.

RECOMMENDATION:

Motion to approve the 2024-2026 Labor Agreement between the City of Lake Elmo and the International Union of Operating Engineers Local 49

ATTACHMENTS:

- 2024 Tentative Agreement Between the City of Lake Elmo and Local 49
- 2024, 2025, 2026 Salary Range and Step Plan



Tentative Agreement
Between the City of Lake Elmo and Local 49
February 2024

1. **Duration:** 3-year agreement effective January 1, 2024 through December 31, 2026

2. **Article 13.2 – PTO**

Update language per request from MSRS to the following:

13.2 No more than two hundred forty (240) hours of PTO may be carried over into the following year. Any amount above the maximum two hundred forty (240) hours shall be converted to a contribution to the MSRS Health Care Savings Plan. Such conversion shall be capped at forty (40) hours accumulation per year. The conversion shall take place in conjunction with issuing the calendar year's final paychecks.

3. **Article 14 - Health Insurance**

The employer will cover 90% of the premium increase for 2024.

4. **Article 17 - Holidays**

- Add Juneteenth to the Holiday List.
- Section 17.3 Add Memorial Day and July 4th to holidays where double-time compensation will be paid for hours worked.

5. **Article 23.2 - Boot Allowance**

Provide a one-time boot allowance of \$225 for winter boots in 2025.

6. **Article 29- Wages**

Effective January 1, 2024, 3% increase. Move to adopt the City's Salary Range and Step Plan. Employees will be placed at the corresponding step that matches their hourly wage after the 3% increase effective January 1, 2024.

On January 1, 2025, employees will move to the next step in the plan and receive a 3% COLA increase.

On January 1, 2026, employees will move to the next step in the plan and receive a 3% COLA increase.

New hires will be hired at a salary of step 1 if they have no experience and up to step 6 on the wage scale based on years of experience.

7. **Update CPF MOU**

MEMORANDUM OF UNDERSTANDING
Licenses/Certificates
City of Lake Elmo

This Memorandum of Understanding is entered into between the two parties (City of Lake Elmo and Local 49) in order to address the date when new job certifications/licenses will become effective, as they pertain to progressing to higher classifications in the collective bargaining agreement.

The following Licenses/Certifications will remain in effect until 12.31.2026.:

PWIII: This position will require the acquisition and maintenance of the following additional certificates/licenses within 2 years of appointment:

- Class A Commercial Driver’s License with air brakes and tanker endorsement
- Class D Water Operator License
- Class D/SD Waster Water Operator License
- Annual OSHA Training including relevant competent person certificate and HAZMAT certifications

The PWIII position has the potential for advancement to Public Works Operator Level II within 24 months, with approval by the Public Works Director and Completion of all required training, licenses, and certificates.

PWII: This position requires the following requires additional certificates/licenses:

- Class C Water Operator License
- NIMS 100 and 700

The PWII position has the potential for advancement to Public Works Operator Level I within 36 months, with approval by the Public Works Director and Completion of all required training, licenses, and certificates.

PWI: This position requires the following additional certificates/licenses:

- Class C/SC Waste Water Operator License
- Completion of 2 of the following 5 programs:
 - Certified Playground Inspector Certificate
 - Tree Inspector Certificate
 - Management and Supervisory Leadership Training Program
 - LTAP’s Road Scholar Program
 - MS4 Inspector Certificate

Employer:

Ron Boesel, Business Representative

Date:

Date:

2024 Salary Range and Step Plan											
Step	1	2	3	4	5	6	7	8	9	10	11
Grade 3	\$45,690	\$47,061	\$48,473	\$49,927	\$51,425	\$52,968	\$54,557	\$56,193	\$57,880	\$59,616	\$61,405
	\$ 21.97	\$ 22.63	\$ 23.30	\$ 24.00	\$ 24.72	\$ 25.47	\$ 26.23	\$ 27.02	\$ 27.83	\$ 28.66	\$ 29.52
Grade 4	\$50,260	\$51,768	\$53,321	\$54,921	\$56,568	\$58,265	\$60,013	\$61,813	\$63,668	\$65,578	\$67,545
	\$ 24.16	\$ 24.89	\$ 25.64	\$ 26.40	\$ 27.20	\$ 28.01	\$ 28.85	\$ 29.72	\$ 30.61	\$ 31.53	\$ 32.47
Grade 5	\$55,286	\$56,944	\$58,652	\$60,412	\$62,225	\$64,092	\$66,015	\$67,995	\$70,035	\$72,136	\$74,300
	\$ 26.58	\$ 27.38	\$ 28.20	\$ 29.04	\$ 29.92	\$ 30.81	\$ 31.74	\$ 32.69	\$ 33.67	\$ 34.68	\$ 35.72
Grade 7	\$66,897	\$68,903	\$70,970	\$73,100	\$75,293	\$77,552	\$79,879	\$82,276	\$84,744	\$87,286	\$89,904
	\$ 32.16	\$ 33.13	\$ 34.12	\$ 35.14	\$ 36.20	\$ 37.28	\$ 38.40	\$ 39.56	\$ 40.74	\$ 41.96	\$ 43.22

2025 Salary Range and Step Plan											
Step	1	2	3	4	5	6	7	8	9	10	11
Grade 3	\$47,060	\$48,473	\$49,927	\$51,425	\$52,968	\$54,557	\$56,194	\$57,880	\$59,617	\$61,405	\$63,247
	\$ 22.63	\$ 23.30	\$ 24.00	\$ 24.72	\$ 25.47	\$ 26.23	\$ 27.02	\$ 27.83	\$ 28.66	\$ 29.52	\$ 30.41
Grade 4	\$51,768	\$53,321	\$54,921	\$56,569	\$58,265	\$60,013	\$61,814	\$63,668	\$65,578	\$67,545	\$69,572
	\$ 24.89	\$ 25.64	\$ 26.40	\$ 27.20	\$ 28.01	\$ 28.85	\$ 29.72	\$ 30.61	\$ 31.53	\$ 32.47	\$ 33.45
Grade 5	\$56,945	\$58,652	\$60,412	\$62,225	\$64,092	\$66,015	\$67,996	\$70,035	\$72,137	\$74,301	\$76,530
	\$ 27.38	\$ 28.20	\$ 29.04	\$ 29.92	\$ 30.81	\$ 31.74	\$ 32.69	\$ 33.67	\$ 34.68	\$ 35.72	\$ 36.79
Grade 7	\$68,904	\$70,971	\$73,100	\$75,293	\$77,552	\$79,879	\$82,275	\$84,744	\$87,287	\$89,905	\$92,602
	\$ 33.13	\$ 34.12	\$ 35.14	\$ 36.20	\$ 37.28	\$ 38.40	\$ 39.56	\$ 40.74	\$ 41.96	\$ 43.22	\$ 44.52

2026 Salary Range and Step Plan											
Step	1	2	3	4	5	6	7	8	9	10	11
Grade 3	\$48,472	\$49,927	\$51,425	\$52,968	\$54,557	\$56,194	\$57,880	\$59,616	\$61,405	\$63,247	\$65,145
	\$ 23.30	\$ 24.00	\$ 24.72	\$ 25.47	\$ 26.23	\$ 27.02	\$ 27.83	\$ 28.66	\$ 29.52	\$ 30.41	\$ 31.32
Grade 4	\$53,321	\$54,921	\$56,569	\$58,266	\$60,013	\$61,814	\$63,668	\$65,578	\$67,546	\$69,572	\$71,659
	\$ 25.64	\$ 26.40	\$ 27.20	\$ 28.01	\$ 28.85	\$ 29.72	\$ 30.61	\$ 31.53	\$ 32.47	\$ 33.45	\$ 34.45
Grade 5	\$58,653	\$60,412	\$62,225	\$64,092	\$66,015	\$67,996	\$70,036	\$72,137	\$74,301	\$76,530	\$78,826
	\$ 28.20	\$ 29.04	\$ 29.92	\$ 30.81	\$ 31.74	\$ 32.69	\$ 33.67	\$ 34.68	\$ 35.72	\$ 36.79	\$ 37.90
Grade 7	\$70,972	\$73,100	\$75,293	\$77,552	\$79,879	\$82,276	\$84,744	\$87,287	\$89,906	\$92,602	\$95,380
	\$ 34.12	\$ 35.14	\$ 36.20	\$ 37.28	\$ 38.40	\$ 39.56	\$ 40.74	\$ 41.97	\$ 43.22	\$ 44.52	\$ 45.86