



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: November 26, 2025

AGENDA ITEM: Consider a motion to approve the Memorandum of Understanding (MOU) with AFSCME regarding the Minnesota Paid Leave Law and authorize the President and Secretary to sign the MOU.

PREPARED BY: Julie Kennedy, General Manager

BACKGROUND:

As discussed at the August Work Session, Minnesota's new Paid Leave Law will take effect on January 1, 2026, and allows for both employer and employee contributions to fund the program. Because our current labor agreement with the union has only one year remaining, staff evaluated the administrative and financial impacts of implementing cost-sharing for just the final contract year versus establishing a temporary arrangement until full negotiations occur.

After review, staff felt it was most cost-effective and efficient to have the employer (GRPU) cover the full premium for calendar year 2026, especially given the recent new payroll system implementation. Covering the premium for one year avoids complexities and positions both parties to address long-term cost sharing as part of comprehensive labor negotiations that will take place in 2026.

The attached Memorandum of Understanding reflects this mutual agreement with the union and outlines that the employer will assume the 2026 premiums, with future premium cost-sharing to be determined through the upcoming collective bargaining process.

RECOMMENDATION:

Approve the Memorandum of Understanding (MOU) with AFSCME regarding the Minnesota Paid Leave Law and authorize the President and Secretary to sign the MOU.