

MEMORANDUM

TO: St. Francis Mayor, County and City Administrator
FROM: Scott Lepak, Assistant City Attorney
RE: 2026-2027 collective bargaining agreement with IUOE, Local 49
DATED: January 15, 2026

Representatives of the City and the International Union of Operating Engineers, Local No. 49 (the Union) reached a tentative agreement during mediation covering the bargaining unit representing certain public works employees. These negotiations were undertaken to replace the prior collective bargaining agreement which expired on December 31, 2025 that continues in effect pursuant to the operation of law.

The Union notified the City on January 7, 2026 that it ratified the tentative agreement.

The major substantive changes to the prior contract are as follows:

1. Duration. Two year agreement January 1, 2026 - December 31, 2027.

2. Wages.

2026: Effective the first full pay period following January 1, 2026, the salary range will be increased by three (3%). In addition, there will be a one dollar (\$1.00) per hour market adjustment for Parks and Streets and a two dollar (\$2.00) per hour market adjustment for Water and Wastewater positions. Employees will receive a corresponding increase.

2027: Effective the first full pay period following January 1, 2027, the salary range will be increased by three (3%) and employees will receive a corresponding increase.

3. Definitions. Add a Definition Article with the following definitions:

UNION MEMBER: A member of the International Union of Operating Engineers, Local No. 49

EXPERIENCE | TRUST | RESULTS

Beverly K. Dodge
Scott M. Lepak
William F. Huefner
Bradley A. Kletscher
Timothy D. Erb
Adriel B. Villarreal

Tammy J. Schemmel
Carole Clark Isakson
Cathryn D. Reher
Jason C. Brown
Thomas R. Wentzell
David R. Schaps

Carla J. Pedersen
Kristin L. Kingsbury *
Lindsay K. Fischbach
Tyler W. Eubank
Bobbi Hermanson-Albers
Stephany J. Peters

Rachel L. Farhi
Ashley Kemplin-Gamm *
Kate R. Fredrickson
Jacob W. LeVahn
Jamie L. Carrell
Travis J. Lutz

Katie J. Bogart
Ellen M. Stirzl
Kyle T. Manderfeld
Dominic J. Skawiniak
Adam J. Revoir

Senior Counsel
Joel T. LeVahn
Of Counsel
Scott M. Hagel
Robert A. LaFleur
Joan M. Quade *
Joseph J. Deuhs, Jr
Charles M. Seykora

* Also Licensed
in Wisconsin

EMPLOYER: The City of St. Francis

EMPLOYEE: A member of the exclusively recognized bargaining unit.

STRIKE: Concerted Action in failing to report for duty, the willful absence from one's position, the stoppage of work, slowdown, or abstinence in whole or in part from the full, faithful and proper performance of the duties of employment for the purpose of inducing, influencing, or coercing a change in the conditions or compensation or the rights, privileges or obligations of employment.

BASE RATE PAY: The employee's hourly pay rate exclusive of any special allowances.

SENIORITY: Employee's most recent period of continuous service with the Department.

SEVERANCE PAY: Payment made to an employee upon honorable termination of employment.

OVERTIME: Work performed at the express authorization of the Employer in excess of more than forty (40) hours within a seven (7) day period.

CALLBACK: 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.

4. Union Security. Revise as follows:

The Employer will, upon written notification by the individual employee, deduct from the pay of such employee the working dues assessment. These dues will be deducted at one-half of one percent (1/2%) of the Employee's base rate of pay for all hours worked ~~ten cents (\$.10) per hour~~, not to exceed 40 hours per week. All money collected by the Employer, as provided here, shall be remitted, along with the reporting form which states the employee's name, last four digits only of social security number, hours worked, and amount of working dues owed, to Local 49's office located at 2829 Anthony Lane South, Minneapolis, Minnesota 55418, not later than the 15th day of the month following the month in which deductions were made.

5. Add references to state leaves and application as follows:

Notice requirements where an Employee is taking Earned Sick and Safe Time Leave will follow applicable state law.

Employees shall be entitled to accrue sick leave beginning with their 1st day of employment and can use it in accordance with the Minnesota Earned Sick and Safe Time Leave statute.

Temporary and part time employees are not entitled to sick leave unless they are eligible for such leave pursuant to applicable law or participating in a program such as the Workforce Innovation and Opportunity Act, or its successor, in which the benefits are administered by the program sponsoring the employee.

Members of the bargaining unit will be covered by the City's Earned Sick and Safe Time Leave (ESST) policy to the extent to which it does not conflict with the provisions of this Agreement.

Minnesota Paid Family and Medical leave Act. Beginning January 1st, 2026, the employer shall contribute 50% of the cost of Minnesota Paid Family and Medical Leave premiums (Statute: 268.14).

6. Call Back. Detail the call back benefit as follows:

An Employee called in to work at a time other than the employee's normal scheduled shift will be compensated for a minimum of three (3) hours' pay at one and one-half (1.5) times the employee's base rate of pay. Early reporting or extension of regularly scheduled work shall not qualify for the call back minimum.

7. On Call. Revise as follows:

Public Works employees who are on-call after regular work hours shall be paid one and one-half hours of pay at 1.5 times the regular rate for each on-call day which falls on Monday-Friday, and two hours of pay at 1.5 times the regular rate for each on-call day which falls on Saturday or Sunday.

~~*Note: 1.5 the regular rate language is effective January 1, 2024.~~

8. Hours of Work. Revise as follows:

This Article is intended only to define the normal hours of work and normal scheduling and to provide the basis for the calculation of overtime or other premium pay. Nothing herein shall be construed as a guarantee of hours of work per day or per week. The Employer reserves the right to establish work schedules without regard to usual or traditional practices. The sole authority in work schedules is the employer. The normal workday for an employee shall be eight (8) hours. The normal work week shall be forty (40) hours Monday through Friday. Regular schedules shall not be construed as excluding shift rotations and emergency work schedules based on public necessity as determined by the Employer.

Summer Schedule: Duration will be from the first full week in May through Labor Day. Parks and Streets normal shift during this time will be 6:30am-4:30pm, Monday through Thursday. Water & Wastewater normal shift during this time will be 6:30am-3:30pm Monday through Thursday and 6:30am-10:30am on Friday. Benefit time shall be used in the increments that pertain to the hours of the normal shift during this period. Ten (10) hours for streets and parks, nine (9) hours and four (4) hours respectively for water and wastewater.

All hours worked in excess of 40 hours in a one week work cycle shall be compensated for at the rate of time and one-half regular salary. For the purpose of this section vacation, sick leave, compensatory time, and holidays shall be considered as time worked. For the purpose of computing overtime payment for working on holidays, a work shift shall be considered on a holiday if the shift begins on the actual holiday itself. (Example: 6:00 am to 2:00p.m., 2:00 p.m. to 10:00 p.m. and 10:00 p.m. to 6:00 am shifts.) For any Employee called in to work other than during the scheduled work shift, a minimum of two and one half (2.5) hours overtime shall be granted at the rate of one and one-half (1 1/2) times their base rate of pay.

Hours worked in excess of forty (40) hours within a seven (7) day period will be compensated for at one and one-half times (1.5x) the employee's base rate of pay. For the purpose of this section; vacation, sick leave, compensatory time and holidays shall be considered as time worked.

Service to the public may require the establishment of regular shifts for some employees on a daily, weekly, seasonal or annual basis other than the normal workday. The Employer will give seven (7) days advance notice to the employees affected by the establishment of workdays different from the employee's normal work schedule.

9. Holidays. Revise as follows:

The following calendar days and such others as the Council fix are paid holidays may approve will be observed as paid holidays: (holiday list stays the same)

~~All full-time employees in regular positions are entitled to time off with full pay on holidays. The City Hall shall be closed for business on each such holiday, but employees may be required to work on paid holidays when the nature of their duties or other conditions require. An employee required to work on a holiday shall receive two and one-half times his or her regular rate in lieu of any other holiday payment for all hours worked. All overtime worked between the hours of 12:00 a.m. and 11:59 p.m. on New Years Day, Thanksgiving Day and Christmas Day shall be compensated at two times (2x) the employees base rate of pay in addition to eight (8) hours at the employee's base rate of pay. All overtime work performed by employees between the hours of 12:00 a.m. and 11:59 p.m. on all other holidays identified in section 12.1 of this agreement shall be compensated at one and one-half times (1.5x) times the employee's base rate of pay in addition to eight (8) hours at the employee's base rate of pay.~~

10. Vacation. Revise as follows:

Vacation time for permanent full time and part-time employees shall be earned and credited during each two week period. Employees will accrue vacation time as it states in the personnel policy.

<u>Years of Service</u>	<u>Hours of Vacation</u>	<u>Max Accumulation</u>
<u>0-2</u>	<u>80</u>	<u>120 Hours</u>
<u>2-5</u>	<u>120</u>	<u>140 Hours</u>
<u>5-10</u>	<u>160</u>	<u>180 Hours</u>
<u>10-14</u>	<u>180</u>	<u>200 Hours</u>
<u>15+</u>	<u>200</u>	<u>220 Hours</u>

Any hours over maximum accumulation amount on December 31st of each year will not be paid out and will be lost.

~~Vacation time may be accumulated up to one and one half (1 1/2) times the employee's annual vacation allowance. Unused time in excess of this amount will be lost.~~

Notwithstanding the limitation on accumulation of vacation time, if an employee is unable to take vacation time before the limitation is reached, and that inability to take vacation is based upon a work related reason and not the fault of the employee, then in that case, if the employee's supervisor consents, the limitation may be exceeded without loss of vacation time so long as the employee uses the excess time as soon as practical.

11. Protective Gear. Revise as follows:

- A. Rain gear will be made available when necessary to protect workers when required to work in rain.
- B. ~~The City will purchase one (1) approved pair of safety shoes each year. The employer will provide up to \$275.00 per year, per employee for the purchase of safety shoes in a calendar year. Any value higher than \$275 will be the responsibility of the employee.~~
- C. The employer will provide up to \$150.00 per year, per employee for clothing items not provided in Article 16 including but not limited to: work pants, gloves, cold weather gear, mud boots etc. Any value higher than \$150.00 will be the responsibility of the employee. Employee shall request appropriate PPE to meet all weather needs, including hats, gloves, bibs, rubber boots and winter boots as approved by Public Works Director.

12. Termination of Employment. Revise as follows:

Employees terminating employment under honorable conditions after eighteen (18) months of continuous employment shall be entitled to severance pay which shall be computed at his/her regular rate of pay at the time of severance and ~~shall amount to fifty percent (50%) of the accumulated sick leave~~ shall match the City's Personnel Policies.

13. Housekeeping –

- A. Clean up grammatical and spelling errors.
- B. Renumber Articles and Sections to better organize related provisions
- C. Consolidate leaves (Military, Leaves of Absence, Funeral Leave and Paid Family Medical Leave) into single Article.