

CITY OF BEMIDJI (Bemidji Municipal Liquor Store)

Contract

**Effective
01/01/2025 – 12/31/2027**



United Food and Commercial Workers Union Local 1189

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ARTICLE 1 – PURPOSE OF AGREEMENT

This Agreement is entered into by and between the City of Bemidji, the State of Minnesota, and the United Food and Commercial Workers Union Local No. 1189, chartered by the United Food and Commercial Workers International Union, and the AFL-CIO.

It is the intent and purpose of the Agreement to:

- 1.1 Place in written form the parties' agreement upon terms and conditions of employment for the duration of this Agreement; and
- 1.2 Establish procedures for the resolution of disputes concerning the Agreement's interpretation and/or application.

ARTICLE 2 – RECOGNITION

- 2.1 The employer recognizes the Union as the sole exclusive bargaining agent for all employees in the Bemidji Municipal Liquor Stores excluding all other city employees.
- 2.2 The employer shall not enter into any individual agreement with an individual member of the bargaining unit conflicting with the terms of this Agreement.

ARTICLE 3 – DEFINITIONS

- 3.1 UNION: The United Food and Commercial Workers Union Local No. 1189, chartered by the United Food and Commercial Workers International Union.
- 3.2 UNION MEMBER: A member of the United Food and Commercial Workers Union Local No. 1189.
- 3.3 EMPLOYEE: A member of the exclusively recognized bargaining unit.
- 3.4 REGULAR EMPLOYEE: An employee who has successfully completed the six (6) month probationary period.
- 3.5 PROBATIONARY EMPLOYEE: An employee who has not completed the six (6) month probationary period.
- 3.6 FULL-TIME EMPLOYEE: An employee who is normally scheduled to work **between thirty (30) and forty (40)** hours per week.
- 3.7 PART-TIME EMPLOYEE: An employee who normally is scheduled to work less than **30** hours per week. Employees working more than 30 hours per week over the calendar year will receive benefits including cafeteria contributions as stated in Article 11.1 and pro-rated Paid-time-off (PTO), holiday and any other benefits provided to city employees. Employees working less than 30 hours per week receive no benefits, except those employees hired prior to January 1, 2011, who will be provided PTO according to Article 10.1.
- 3.8 EMPLOYER: City of Bemidji or its representative.

- 3.9 UNION OFFICER: Officer elected or appointed by United Food and Commercial Workers Union Local No. 1189.

ARTICLE 4 – UNION SECURITY

- 4.1 The employer shall deduct from the first pay of each month, for those employees who authorize it in writing, the regular monthly union dues, and forward such monies to the designated officer of the Union.
- 4.2 When requested to do so by the Union, the employer shall deduct each month from the pay of those employees not members of the Union, a fair share that will not exceed eighty-five (85) percent of the regular monthly dues, and shall forward such monies to the designated officer of the Union.
- 4.3 The employer shall include with each monthly remission of union dues and fair share fees a list of all new Employees hired within the Bargaining Unit covered by this Agreement since the date of the prior remittance.
- 4.4 The Union may designate employees from the bargaining unit to act as Stewards and shall inform the employer in writing of the choices and changes in the position of Steward.
- 4.5 The employer shall make space available on the employees' bulletin board for the posting of Union notice(s) and announcement(s).
- 4.6 The Union agrees to indemnify and hold the employer harmless against any and all claims, suits, order or judgments brought or issued against the employer as a result of any action taken or not taken by the employer under the provisions of this Article.
- 4.7 After the conclusion of the Employer's scheduled orientation program for new hires, a Representative of UFCW will be allowed to meet with the new **employee(s) for thirty minutes, within 30 calendar days of hire, without loss of pay or earned accrued leave time of the employee.**

Meetings can occur virtually or longer than 30 minutes by mutual agreement between the Union Representative and the Employer.

The Employer will provide at least 10 days' written notice of an orientation to the Local Union Office and the Union Stewards.

The Union shall be permitted on the employer's premises at reasonable hours for the transaction of official Union business provided such activities do not interfere with the normal operation of business, provided the City Manager must first be notified.

The Union is permitted to communicate with bargaining unit members using their employer-issued email address, if assigned one by the employer.

- 4.8 **Both parties to this Agreement recognize that the Employer is an EEO/AA Employer and agree not to discriminate against or harass any employee because of race, color, creed, religion, national origin, sex, disability, age, marital status, sexual orientation, status with regard to public assistance,**

activities in a local commission dealing with discrimination issues, disabled veterans, veterans of the Vietnam era, or any other protected category as defined by statute.

Further, there shall be no discrimination based on membership or participation in the affairs of the Union.

- 4.9 The Employer will deduct contributions to the UFCW Active Ballot Club from the wages of each employee who voluntarily provides the Employer with a written authorization to do so. Deductions will be taken each pay period in the amount designated by the employee and remitted to the Union along with Union dues. The Employer is not responsible for the management or administration of the Active Ballot Club or decisions on Active Ballot Club expenditures. The Union shall indemnify and hold the Employer harmless from any and all claims arising from the deduction and remission of contributions.

ARTICLE 5 – EMPLOYER AUTHORITY

- 5.1 It is recognized that, except as expressly stated herein, the employer shall retain whatever rights and authority are necessary for it to operate and direct the affairs of the municipal liquor stores in all of its various aspects, including, but not limited to, the right to direct the working forces; to plan, direct and control all the operations and services of the municipal liquor stores; to determine the methods, means organization and number of personnel by which such operations and services are to be conducted; to assign and transfer employees; to schedule working hours and to assign overtime; to hire, promote, demote, suspend, discipline, discharge or relieve employees due to lack of work or other legitimate reasons; to make and enforce reasonable rules and regulations; and to change or eliminate existing methods, equipment or facilities.
- 5.2 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.
- 5.3 Nothing in this Agreement shall limit or prohibit the right of the employer to subcontract janitorial work performed by employees covered by this Agreement.
- 5.4 In respect to leasing, the City agrees not to subcontract work of a Retail Clerk nature as related to Schedule “A”, during the duration of this contract as specified in Article 18.

ARTICLE 6 – EMPLOYEE RIGHTS – GRIEVANCE PROCEDURE

- 6.1 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.
- 6.2 Union Representative
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.

6.3 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 a representative shall be allowed a reasonable amount of time not to exceed one (1) hour, without loss in pay when a grievance is investigated and presented to the employer during normal working hours provided that the employee and the Union Representative have notified and received the approval of the designated supervisor who had determined that such absence is reasonable and would not be detrimental to the work programs of the employer.

6.4 Procedure

Grievance, as defined by Section 6.1, shall be resolved in conformance with the following procedure:

Step 1. An employee claiming a violation concerning the interpretation or application of this Agreement shall, within ten (10) working days after such alleged violation has occurred, present such grievance to the employee's supervisor as designated by the employer. The employer-designated representative will discuss and give an answer to such Step 1 grievance within ten (10) working days after such alleged violation has occurred, present such grievance to the employee's supervisor as designated by the Employer. The Employer-designated Representative will discuss and give an answer to such Step 1 grievance within ten (10) working days after receipt.

A grievance not resolved in Step 1 and appealed in 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, the remedy requested, and shall be appealed to Step 2 by the Union within ten (10) calendar days of the answer in Step 1.

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 may be appealed in Step 3 within ten (10) calendar days.

Step 3. If appealed, the written grievance shall be presented by the Union and discussed with the Employer-designated Step 3 Representative. The Employer-designated Representative shall give the Union the Employer's answer in writing within thirty (30) calendar days after receipt of such Step 3 grievance. A grievance not resolved in Step 3 may be appealed to Step 4 within thirty (30) calendar days following the Employer-designated Representative's final answer in Step 3. Any grievance not appealed in writing to Step 4 by the Union within thirty (30) calendar days shall be considered waived.

Step 4. A grievance unresolved in Step 3 and appealed to Step 4 by the Union shall be submitted to arbitration subject to the provisions of the Public Employment Labor Relations Act of 1971. The selection of an arbitrator shall be made in accordance with the "Rules Governing the Arbitration of Grievances" as established by the Bureau of Mediation Services, State of Minnesota.

6.5 Arbitrator's Authority

- 6.5.1 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 submitted.
- 6.5.2 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 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.
- 6.5.3 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.

6.6 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 written agreement of the Employer and the Union in each step.

6.7 Choice of Remedy

If, as a result of the written Employer response in Step 3, the grievance remains unresolved, and if the grievance involves the suspension, demotion, or discharge of an employee who has completed the required probationary period, the grievance may be appealed either to Step 4 of Article 6 or a procedure such as: Veteran's Preference. If appealed to any procedure other than Step 4 of Article 6, the grievance

is not subject to the arbitration procedure as provided in Step 4 of Article 6. The aggrieved Employee shall indicate in writing which procedure is to be utilized – Step 4 of Article 6 or another appeal procedure – and shall sign a statement to the effect that the choice of any other procedure precludes the aggrieved Employee from making an additional appeal through Step 4 of Article 6.

6.8 Dissident Employee

At any step in this grievance procedure the Executive Committee of the Local Union shall have the final authority, in respect to any aggrieved Employee covered by this Agreement, to decline to process a grievance, complaint difficulty or dispute further if in the judgment of the Executive Committee such grievance or dispute lacks merit or lacks justification under the terms of this Agreement, or has been adjusted or justified under the terms of this Agreement to the satisfaction of the Union Executive Committee.

6.9 BMS Mediation

If a grievance is appealed after Step 2, the parties shall petition the Minnesota Bureau of Mediation Services for a non-binding mediation of the grievance prior to submission for arbitration.

ARTICLE 7 – HOURS OF WORK

- 7.1 The normal work week shall be five (5) consecutive eight (8) hour days for full-time employees.
- 7.2 Employees shall receive a minimum of two (2) hours' pay when called to work on an emergency basis.
- 7.3 Full-time employees shall be guaranteed a thirty (30) hour week in any week in which put to work.
- 7.4 Split shifts shall be completed within a period of not to exceed twelve (12) hours and there shall be no three-way split shifts unless by consent of employee.
- 7.5 Seniority shall be considered in the scheduling hours of work, days off and shifts. However, seniority will not be the only criteria considered. The City retains the right to determine and set the schedule.

ARTICLE 8 – HOURS OF WORK AND OVERTIME

- 8.1 All work in excess of forty (40) hours per week or eight (8) hours per day shall be compensated for at one and one-half (1½) times the Employee's straight time hourly rate of pay.
- 8.2 All work performed on the sixth (6th) consecutive day of work shall be paid for one and one-half (1½) times the Employee's regular straight time rate of pay.

- 8.3 For any Sunday the City determines that its liquor stores will be open, hourly staff will be compensated at an overtime rate of 1.5 times their normal hourly rate of pay for hours worked.

ARTICLE 9 – HOLIDAYS

- 9.1 The following holidays shall be paid holidays for all regular full-time employees:

New Year's Day	Labor Day
Martin Luther King, Jr. Day	Veteran's Day
President's Day	Thanksgiving Day
Juneteenth	Day After Thanksgiving
Memorial Day	Christmas Day
Independence Day	

In addition to the above holidays, one additional day off per year, with pay, shall be granted to each individual employee by mutual agreement between the Supervisor and the Employee. Such day off with pay shall be considered a "floating holiday." Floating holidays cannot be accumulated from one year to the next. If a floating holiday has not been taken by December 31st of any given year, the holiday is forfeited.

- 9.2 The Employer agrees to close the liquor store at 4:00 p.m. on the day before Christmas. The Employer agrees to close the liquor store on Easter Sunday, Thanksgiving Day and Christmas Day.
- 9.3 **When a holiday falls within a period of paid leave (i.e. vacation, sick leave, etc.) the employee shall be paid at their normal rate of pay for the holiday and the holiday shall not be subtracted from the accrued leave. Example: if an employee is on PTO and a holiday falls within, they would use the Holiday for leave on that day, not PTO.**
- 9.4 Regular full-time Employees who work on a paid holiday shall be paid at one and one-half (1½) times their hourly rate for all such hours worked, in addition to any holiday pay to which they are entitled.

Part-time employees who work on any of the **eleven (11)** named holidays, shall be paid at one and one-half (1½) times their hourly rate for all such hours worked.

- 9.5 In order to qualify for the holiday pay provided by this Article, a regular Employee must work the last scheduled workday immediately before and his first scheduled workday immediately following the holiday, unless the failure to do so is for a reason acceptable to the Employer.
- 9.6 Holiday work will be shared as equally as practicable.

ARTICLE 10 – PAID TIME OFF (PTO)

- 10.1 PTO will be provided per Section 201.409 of the City Personnel Policies as approved by the City Council on August 17, 2015.

- 10.2 At successful completion of probationary period, part-time employees working an average of less than thirty (30) hours per week shall receive eight (8) hours of paid time off (PTO) to utilize before year-end of December 31, **in addition to any Earned Sick and Safe Time**. In addition, at one year, and **at each** subsequent annual anniversary dates, part-time employees working an average of less than thirty (30) hours per week **will receive an additional eight (8) hours of PTO time. If PTO hours are not used by that time, they will be removed from employee PTO bank, unless special authorization is granted by Liquor Superintendent.**
- 10.3 **Employees anticipated to work eighty (80) hours or more in a year will be ESST eligible, consistent with Minnesota Sate Law.**

ARTICLE 11 – INSURANCE

- 11.1 The Monthly Fringe Benefit Contribution **for 2025, 2026 and 2027** will be dependent on the health coverage elected to be used towards the cost of medical insurance and other benefits, including life and disability insurance, as offered by the City to regular employees and their dependents.

Health coverage elected	Monthly Fringe Benefit Contribution		
	2024	2026	2027
Single	\$1,650	\$1,850	\$2,100
Employee + dependent(s)	\$1,790	\$1,950	\$2,100
Family	\$1,850	\$2,000	\$2,100

Note: Monthly Fringe Benefit Contribution dollars cannot be directed to Deferred Compensation (457 Plan) nor collected as taxable compensation.

- 11.2 Renewal of VEBA with Health Reimbursement Arrangement For Active Employees

Section 1. Renewal of VEBA. Effective January 1, 2019, Employer shall continue to make available a Health Reimbursement Arrangement for Active Employees within the VEBA Plan and Trust for all eligible qualified bargaining unit members who exercise their option to enroll in any one of the high deductible health insurance plans described in Insurance Attachment #1. It is intended that this arrangement constitute a voluntary employees' beneficiary association under Section 501(c)(9) of the Internal Revenue Code.

If the Employer maintains a cafeteria plan with a health flexible spending account (an "FSA"), eligible health expenses will be paid from the FSA first, until an individual's FSA account is exhausted and from the VEBA Plan second. The VEBA Plan year will begin and end on the same dates as the high deductible health insurance plan.

Section 2. Renewal of Health Savings Account ("HSA") Arrangement. Effective January 1, 2019, Employer shall continue to make available an HSA arrangement for all eligible qualified bargaining unit members who exercise their option to enroll in the HSA-eligible high deductible health insurance plans described

in Insurance Attachment #1. It is intended that the HSA arrangement comply with all requirements of Section 223 of the Internal Revenue Code.

Section 3. Administration and Investment Fees and Expenses. Administration fees under the Premium Saver Option shall be paid by the Employer. The participant directs the investment of his or her account in mutual funds made available through Further. Investment Fees are paid from the accounts of participants who choose to invest.

When an individual is no longer entitled to contributions under the VEBA (for example, if they enroll in other health coverage) or if they terminate employment, administration and investment fees shall be paid from individual's account in the VEBA. Administration and investment fees are subject to change as employer negotiates new administration arrangements.

Section 4. Employer Contributions to the Health Reimbursement Arrangement for Active Employees.

Subd. 1. Contributions to the Active Employees' Plan. Employer will make monthly contributions to individual accounts under the health reimbursement arrangement for qualifying bargaining unit members in accordance with the following schedule:

\$200 for each qualified employee who elects single coverage under the group health plan described in Subdivision 3; and

\$100 for each qualified employee who elects employee + children coverage under the group health plan described in Subdivision 3; and

\$100 for each qualified employee who elects family coverage under the group health plan described in Subdivision 3.

All contributions shall cease on the date the participant is no longer covered under the high deductible health plan in subdivision 3 below.

Subd. 2. Contributions to an HSA. If you are eligible for and enroll in the HSA program, Employer will make monthly contributions to your HSA in accordance with the following schedule:

\$200 for each eligible employee who elects single coverage under the HSA-eligible group health plan described in Subdivision 3; and

\$100 for each qualified employee who elects employee + children coverage under the group health plan described in Subdivision 3; and

\$100 for each eligible employee who elects family coverage under the HSA-eligible group health plan described in Subdivision 3.

You may also elect to contribute to your HSA through salary reduction under the Employer's Section 125 Cafeteria plan, and you may change that election prospectively during the year at least once per month. Combined Employer and

employee contributions to your HSA may not exceed statutory maximums that are indexed each year.

Subd. 3. High Deductible Health Plan. Employer shall make available high deductible health plans described in summary and attached hereto as Insurance Attachment #1 to all qualified bargaining unit members who elect to participate in said plan. All plans except for the **\$3,000** VEBA plan may be associated with either VEBA or HSA contributions. The **\$3,000** VEBA plan is not an HSA-eligible plan, and employees who enroll in the **\$3,000** VEBA plan may only receive VEBA contributions.

The parties understand that the high deductible health plans described in summary and attached hereto as Insurance Attachment #1 provides that deductibles and out-of-pocket maximums will be increased each year to keep pace with inflation and IRS requirements for HSA-eligible plans.

Section 5. Health Plan Fact Sheet. Other terms and conditions are addressed in the Health Plan Fact Sheet which is incorporated herein by reference.

HEALTH PLAN FACT SHEET

Introduction

The City of Bemidji ("Employer") has adopted the Health Reimbursement Arrangement for Active Employees which is part of the Minnesota Healthcare Consortium VEBA Plan and Trust (the "VEBA").

Source of Funding

The VEBA is funded entirely with employer contributions. No employee may choose or be offered a choice between taxable cash compensation and the Employer's contribution to the VEBA.

HSAs may be funded with Employer contributions and employee contributions made through salary reduction elections. Both Employer and employee contributions to HSAs are made through your Employer's section 125 cafeteria plan.

If an employee wishes to participate in the HSA program but has an existing balance in the VEBA, the VEBA balance will be available only as a "limited purpose" VEBA. A limited-purpose VEBA is available only for vision and dental expenses until the employee reaches the minimum statutory deductible for an HSA-eligible plan. The **2022** minimum annual deductible is **\$1,400** for self-only HDHP coverage and **\$2,800** for family coverage. Once the employee meets the minimum deductible, the VEBA balance will be available for the reimbursement of all eligible medical expenses.

Reimbursement of Medical Expenses for Spouses and Children

Due to a recent law change, medical expenses for spouses and dependents who are not enrolled in the high deductible health insurance plan described in Insurance Attachment #1 may only be reimbursed if the spouse or dependent is enrolled in a group health plan of another employer. Spouses and dependents enrolled in individual policies of insurance

(or going without insurance) may not be reimbursed from the VEBA. This limitation does not apply to funds in the VEBA that are transferred to the Postretirement VEBA Plan on your retirement.

This limitation does not apply to health savings accounts (“HSAs”), which may continue to reimburse medical expenses for spouses and dependents whether or not they are enrolled in family coverage.

Death Beneficiaries

Due to a recent law change, VEBA participants who die without a surviving spouse or eligible dependent (generally, children under age 26) will no longer forfeit their account balances in the VEBA. The remaining funds in their VEBA account will be available for the taxable reimbursement of allowable medical expenses incurred by their designated beneficiaries, which may include adult children (or any living person). We strongly recommend that VEBA participants complete a new beneficiary designation form made available through Further.

Participants may name any person as a death beneficiary of their HSA. If a spouse is named as a death beneficiary, the HSA is treated as owned by the spouse on the date of death and avoids taxation. HSAs are treated as taxable on death if a beneficiary other than a spouse is named.

Pay the Provider

Participants in the VEBA may voluntarily enroll in the “Pay the Provider” program. Under Pay the Provider, claims for medical expenses that are not reimbursed through insurance will automatically be withdrawn from an employee’s VEBA account and paid directly to medical care providers. Additional fees for Pay the Provider shall be paid from individual accounts. The cost is currently \$.50 per account per month.

Impact on Other Arrangements

This policy supersedes and revokes all previous policies on this matter, including, to the extent applicable, other written or oral statements of policy and procedure that address other City benefits.

ARTICLE 12 – POST RETIREMENT HEALTH CARE SAVINGS ARRANGEMENT

12.1 Continuation of VEBA. Employer shall continue to make available a Postretirement Health Care Savings Arrangement within the VEBA Plan and Trust described in the VEBA Fact Sheet. It is intended that this arrangement constitute a voluntary employees’ beneficiary association under Section 501(c)(9) of the Internal Revenue

12.2 Payment of Administration and Investment Fees and Expenses. Administration and Investment fees allocable to the individual accounts of retirees shall be deducted from individual accounts. Administration and investment fees are subject to change from time to time. Current administration and investment fees are described on the VEBA Fact Sheet.

12.3 Employer Contributions to the Postretirement Health Care Savings Arrangement

Subd. 1. Severance Pay; If upon employment termination the employee is eligible to collect a PERA pension, within sixty (60) days of the effective date of termination of city employment, the Employer shall pay fifty percent (50%) of the amount of the employee's unused Extended Sick Leave Bank and one-hundred percent (100%) of unused PTO, under Article X of this Agreement, to individual accounts established for those employees under the Postretirement Health Care Savings Arrangement. Employees or retirees will not be entitled to receive this amount in the form of taxable cash compensation or other benefits.

Subd. 2. For example, if an employee has 960 hours of unused sick leave, 480 hours would be paid into the employee's Postretirement Health Care Savings account.

VEBA FACT SHEET

A. VEBA Plan and Trust

All contributions shall be made to the Postretirement Health Care Savings Arrangement within the VEBA Plan and Trust.

B. Administration Fees

Administrative fees for **2022** are **\$4.10** per account per month for the Premium Saver program, Basic Saver program, and the Thrift Saver program. Retirees may select the program and its associated interest tier. Fees will be deducted from each retiree's account.

The Minnesota **Healthcare Consortium** VEBA Plan is subject to public bidding laws and will seek competitive bids for plan administrators and other service providers from time to time as required by Minnesota law. Administrative fees, investment fees, investment options, interest rates, service providers, and other program features will change over time as a result of this process. As a result, fees deducted from retiree accounts will also change over time.

C. Interest Rates for Further Cash Deposits

Interest payable on retiree accounts will vary depending upon the "tier" (how much is in the account), program (whether the retiree elects Thrift, Basic or Premium), and market conditions. Rates will vary with market conditions and are subject to change. Interest accrues daily. Deposits are not FDIC insured. VEBA funds are invested in a depository agreement with MII Life, Incorporated, a Minnesota domiciled life insurance company, dba Further. Further and its parent company, Aware Integrated, Inc., guarantee repayment of the principal amount and any interest on deposits. Aware Integrated, Inc. is also the parent company of Blue Cross Blue Shield of Minnesota.

D. Investment Fees

Retirees who wish to invest all or a portion of their accounts in mutual funds will pay an extra \$1.50 per account per month. Investment fees will be deducted from accounts. Investment Fees are subject to change from time to time. No sales load will be charged on mutual funds. Mutual funds made available as investment alternatives may charge certain management, administration, marketing and similar fees depending on the funds selected (the "expense

ratio”). The expense ratio on the funds will be applied against a participant’s investment in said funds.

E. Opt-Out Rights

To be eligible for federal subsidies and premium tax credits on a health care exchange (such as MNsure), individuals may not be enrolled in other health coverage, and may not have an account under the Postretirement VEBA. Retirees that wish to purchase coverage on an exchange and apply for premium tax credits will be given the option, at the time of retirement and at least annually thereafter, to irrevocably suspend access to their Postretirement VEBA account until they attain age 65 and certify that they have enrolled in Medicare.

ARTICLE 13 – PROBATIONARY PERIODS, SENIORITY

- 13.1 All newly hired or rehired employees shall serve a six (6) month probationary period, during which time they may be terminated at the sole discretion of the employer. At the employer’s discretion, probationary periods may be extended based on job performance matters during the original probationary period per City Personnel Policies.
- 13.2 Upon completion of the probationary period, employees shall have seniority dating from the beginning date of their continuous employment. In the event of a layoff, recall, promotion, or transfer, seniority shall govern provided the senior employee is qualified to perform the work involved.
- 13.3 Principles of seniority shall apply in layoffs, recalls and demotions provided the senior employee is the best and most qualified to do the work.
- 13.4 The employer may immediately discharge an employee for just cause; two (2) weeks’ notice shall be required in all other cases of termination by the employer.
- 13.5 Discipline: Section 201.502 of the City of Bemidji Personnel Policies shall remain in effect through the term of this Agreement.

ARTICLE 14 – WAGES

- 14.1 All employees shall be paid in accordance with Schedule “A” attached hereto and made a part of this Agreement. Schedule “A” includes the following Cost of Living Adjustments (COLA):

Effective January 1, 2025:

There shall be a three percent (3%) across the board wage increase for all positions.

Effective January 1, 2026:

There shall be a three percent (3%) across the board wage increase for all positions.

Effective January 1, 2027:

There shall be a three percent (3%) across the board wage increase for all positions.

See Schedule A

- 14.2 No employee shall be charged for any loss through unintentional breakage, which is not habitual.
- 14.3 Shift Differential weekdays – Hours worked by part-time clerks Monday through Friday from 5:00pm to closing will receive an additional one dollar **and fifty cents (\$1.50)** per hour shift differential.
- 14.4 Shift Differential weekends – All hours worked by part-time clerks on Saturday will receive an additional one dollar **and fifty cents (\$1.50)** per hour shift differential.
- 14.5 Part-time employees hired before 2005 will be paid \$19.87 per hour effective January 1, 2022 with an annual increase to \$20.47 on January 1, 2023 and \$21.08 on January 1, 2024. In addition, they will continue to accrue one hundred and four (104) hours of PTO per year.

ARTICLE 15 – WAIVER

- 15.1 Any and all prior agreements, resolutions, practices, policies, rules and regulations regarding terms and conditions of employment to the extent of conflict with the provisions of this Agreement are hereby superseded.

ARTICLE 16 – SAVINGS CLAUSE

- 16.1 This Agreement is subject to the laws of the United States and the State of Minnesota. In the event any provision of this Agreement shall be held to be contrary to law by 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 this Agreement shall continue in force and effect. The voided provisions **shall** be renegotiated at the written request of either party.

ARTICLE 17 – HEALTH AND SAFETY

- 17.1 **The Employer agrees to provide a safe and healthful workplace and will comply with all local, state, and federal laws, statutes and regulations regarding occupational and environmental health and safety. Any and all safety concerns should be reported immediately to an employee's supervisor or employer-designated safety officer.**
- 17.2 **Safety:** The Employer will keep a first aid kit accessible to all employees in each facility. The first aid kit will be for use by employees regarding any emergency or unforeseen circumstances. The first aid kit will have all necessary products suggested by ANSI Z308.1 and will be checked at least once every three months for restocking purposes and at least once every six months for expired products.

ARTICLE 18 – INFECTIOUS DISEASE / EMERGENCY

- 18.1** The Employer and the Union recognize the importance of maintaining and protecting the health of employees within the facility and throughout the community. The Employer shall maintain an infectious disease program and policies in compliance with the state and/or federal regulation and with consideration of the Centers for Disease Control (CDC) guidelines. Policies and procedures related to infectious diseases, during a national pandemic, shall be readily assessable to all employees.
- 18.2** Health Program:
1. The Employer will offer and provide, without cost to all employees, any vaccines that are deemed a condition of employment
 2. Any provided vaccinations may be accepted or declined by employee.
 3. In the event testing is recommended by the Minnesota Department of Health for infection control, the Employer agrees to provide testing to all employees at no cost to the employee on paid time.
- 18.3** Personal Protection Equipment:
The Employer will provide adequate and appropriate personal protective equipment and appropriate training on its use. It is the responsibility of the employee to properly utilize the appropriate equipment once trained.
- 18.4** Wages:
In the event of a declared pandemic or emergency which puts employees' health or safety at risk, and if the Bemidji Municipal Liquor Store remains open and operational, The City of Bemidji and The Bargaining Unit shall meet and confer over appropriate Hazard Pay.

ARTICLE 19 – LABOR-MANAGEMENT COMMITTEE (LMC)

- 19.1** To support continued improvement and stabilization of the labor-management relationship, communication, job enrichment, and productivity, the Employer and the Union will meet regularly at intervals and times agreed to by the parties, with each other's designated representatives.

ARTICLE 20 – DURATION

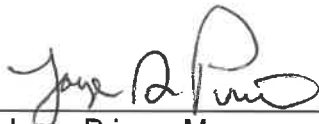
This Agreement shall be in effect from January 1, **2025**, to December 31, **2027**, and shall remain in effect from year to year thereafter unless either party shall give written notice one hundred eighty (180) days prior to any anniversary date of its desire to amend or terminate this Agreement.

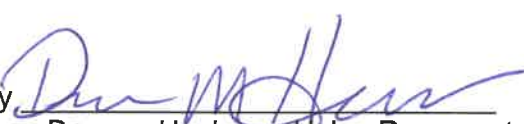
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals this

20th day of October, **2025**.

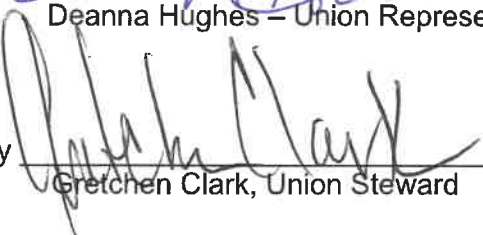
CITY OF BEMIDJI

UNITED FOOD AND COMMERCIAL WORKERS
UNION – LOCAL 1189

By 
Jorge Prince, Mayor

By 
Deanna Hughes – Union Representative

By 
Richard Spiczka, City Manager

By 
Gretchen Clark, Union Steward

SCHEDULE A - WAGES

Lead Liquor Sales Associate Full-Time									
	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I
2024	\$26.28	\$27.07	\$27.88	\$28.72	\$29.58	\$30.47	\$31.38	\$32.32	\$33.29
2025	\$27.07	\$27.88	\$28.72	\$29.58	\$30.47	\$31.38	\$32.32	\$33.29	\$34.29
2026	\$27.88	\$28.72	\$29.58	\$30.47	\$31.38	\$32.32	\$33.29	\$34.29	\$35.32
2027	\$28.72	\$29.58	\$30.47	\$31.38	\$32.32	\$33.29	\$34.29	\$35.32	\$36.38
Liquor Sales Associate Full-Time									
	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I
2024	\$20.44	\$21.05	\$21.68	\$22.33	\$23.00	\$23.69	\$24.40	\$25.13	\$25.88
2025	\$21.05	\$21.68	\$22.33	\$23.00	\$23.69	\$24.40	\$25.13	\$25.88	\$26.66
2026	\$21.68	\$22.33	\$23.00	\$23.69	\$24.40	\$25.13	\$25.88	\$26.66	\$27.46
2027	\$22.33	\$23.00	\$23.69	\$24.40	\$25.13	\$25.88	\$26.66	\$27.46	\$28.28
Liquor Sales Associate Part-Time									
2024	\$16.82								
2025	\$17.32								
2026	\$17.84								
2027	\$18.38								