Amended 10-7-2011

CITY OF MINNEAPOLIS

and

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL UNION NO. 49, AFL-CIO

LETTER OF AGREEMENT
Job Bank and Related Matters

The above-entitled Parties are signatory to a Labor Agreement which most recently took effect on January 1, 2008 (the "Labor Agreement"). This Letter of Agreement outlines additional agreements reached by the Parties during the course of the collective bargaining which resulted in the making of the Agreement and which the Parties now desire to confirm.

GENERAL PROVISIONS

The Employer has created a *Job Bank* as a component of its resources allocation (budget) process. The purpose of the Job Bank is to assist the Employer and its employees during a time of major restructuring and change caused by unyielding demands for municipal service in the face of decreasing funding. It is the Employer's intention, to the extent feasible under these circumstances, to identify employment opportunities for employees whose positions are eliminated through reassignment, retraining and out-placement support. One of the purposes of the Job Bank process is to minimize, to the extent possible, the disruption normally associated with contractual "bumping" and layoff procedures to both the Employer and affected employees.

The Job Bank process shall be administered in a manner which is consistent with the Employer's desire to treat affected employees with dignity and respect at a difficult time in their relationship and to provide as much information and assistance to them as may be reasonably possible and practical within the limited resources available.

The term "Recall List" as used in this Agreement means the list of employees who are laid off from employment with the City or removed from their position by reason of a reduction in the size of the workforce, and who retain a right to return to their prior job classification pursuant to the terms of the Labor Agreement and/or Civil Service rules.

JOB BANK PROCESS AND PROCEDURE

I. Job Bank Assignment

1. Regular (*permanently certified*) employees whose positions are eliminated shall receive formal, written notification to that effect from the appointing authority of the department to which they are assigned. If a position is to be eliminated in any department, the employee with the least amount of seniority in the particular job class within the impacted division/department will be placed in the job bank, regardless of performance, assignment, function or other consideration. For the purposes of this section, a division is defined as an operational unit headed by a supervisory director or deputy who reports directly to a department head. If a department is of such a size as to have no distinct divisions, the department shall be treated as a division. Whether the layoff will be implemented relative to the least senior in a division or department will be determined by the terms of the Labor Agreement covering the impacted positions.

2. Such employees shall be assigned to the Job Bank. Employees whose positions have been eliminated based on the Employer's regular annual budget process, including the Mayor's proposed budget and/or the final annual City budget as passed by the City Council, or as otherwise ordered by the City Council, are entitled to a sixty (60) day tenure in the job bank. All positions eliminated based on the Mayor's proposed budget and/or the final annual City budget as passed by the City Council must be so eliminated after the Mayor's proposed budget is announced but no later than January 1, of the next budget cycle (unless the department/division intends to eliminate at a later date as part of their final annual budget for that year). Employees whose positions have been eliminated based on any mid-cycle budget or revenue reductions not controlled by the Mayor and the City Council, are entitled to a thirty (30) day tenure in the job bank, or until they are reassigned, whichever may first occur. All such employees in the Job Bank shall have extended job bank services for as long as they remain on a recall list. During such period such laid off employees shall form a pool for "restricted examination" for positions for which they may be qualified. The employee will notify the City of their interest in being considered. The Union will assist in notifying these employees of vacancies to be filled. A permit position shall be considered a "vacancy" if it is in a job classification impacted by the workforce reduction and if more than 60 days remain on the permit.

3. Permit and temporary employees whose employment is terminated are not eligible for Job Bank assignment or benefits. Certified temporary employees shall, however, be eligible for the Job Bank activities described in paragraphs 2(c) below.

II. Job Bank Activities

1. While affected employees are assigned to the Job Bank, they shall continue in their positions with no change in pay or benefits. While so assigned, however, affected employees may be required to perform duties outside of their assigned job classifications and/or they may be required to perform such duties at a different location as determined by the Employer.

2. While affected employees are assigned to the Job Bank, the Employer shall make reasonable efforts to identify vacant positions within its organization which may provide continuing

employment opportunities and which may be deemed suitable for affected employees by all concerned.

a. **Lateral Transfer.** Employees may request to be transferred to a vacant position in another job classification at the same MCSC Grade level provided they meet the minimum qualifications for the position.

i. Seniority Upon Transfer. In addition to earning job classification seniority in their new title, transferred employees shall continue to accrue job classification seniority in their former title and they shall have the right to return to their former title if the position to which they have transferred is later eliminated. In the event the transfer is to a formerly held job classification, seniority in the new (formerly held) title shall run from the date upon which they were first certified to the former classification.

ii. Pay Upon Transfer. The employee's salary in the new position will be their former salary or that of the next available step in the pay progression schedule for the new title which provides for an increase in salary if no equal pay progression step exists. If the employee's salary in the former position is greater than the maximum salary applicable to the new title, the employee's salary will be *red circled* until the maximum salary for the new title meets the employees' red circled rate. Such employees shall, however, be eligible for fifty percent (50%) of the negotiated general increase occurring during the term of the Agreement. Lateral transfers shall not affect anniversary dates of employment for pay progression purposes.

iii. Probationary Periods. Employees transferring to a different title will serve a six (6) calendar month probationary period. In the event the probationary period is not satisfactorily completed, the affected employee shall be returned to Job Bank assignment and the employee's "bumping", layoff or transfer rights under the Agreement or other applicable authority shall be restored to the same extent such rights existed prior to the employee taking the probationary position. Upon the affected employee's <u>first</u> such return to the Job Bank, the employee shall be entitled to remain in the Job Bank for the greater of ten (10) business days, or the duration of the applicable Job Bank period, as determined under Article I, paragraph 2, that remained as of the date the employee began in the probationary position. The rate of compensation for the remainder of the employee's time in the Job Bank will be the same as the rate in effect as of the employee's last day in the probationary position. Return to the Job Bank terminates the employee's work in the probationary assignment and, therefore, time served following the return to the Job Bank shall not be construed to count toward the completion of the probationary period.

b. **Reassignment.** The Employer reserves the right to transfer an employee in the Job Bank to a new position and/or duty location within their job classification at a time determined to be appropriate by the Employer. Such reassignments terminate the affected employee's assignment to the Job Bank. If the Labor Agreement covering the job

classification of the employee reassigned under this paragraph specifically permits a probationary period upon reassignment, the provisions of subparagraph a.iii., above, shall apply as if the reassignment had been a transfer.

c. **Filling Vacant Positions.** During the time the procedures outlined herein are in effect, position vacancies to be filled shall first be offered to regular employees who have a contractual right to be recalled to a position in the involved job classification or who may have a right to "bump" or transfer to the position, as the case may be. In such circumstances, the seniority provisions of the Agreement shall be observed. If no regular employee has a contractual right to the position, the following shall be given consideration in the order (priority) indicated below:

1st Priority:	Qualified Job Bank employees
2nd Priority:	Employees on a recall list
3rd Priority:	Employee applicants from a list of eligibles
4th Priority:	Displaced certified temporary employees
5th Priority:	Non-employee applicants from a list of eligibles

The qualifications of an employee in the Job Bank or on a recall list shall be reviewed to determine whether he/she meets the qualifications for a vacant position. Whether the employee can be trained for a position within a reasonable time (not to exceed three months) shall be considered when determining the qualifications of an employee. If it is determined that the employee does not meet the qualifications for a vacant position, the employee may appeal to the Director of Human Resources. If it is determined that an employee in the Job Bank is qualified for a vacant position, the employee shall be selected. The appointing authority may appeal the issue of whether the employee is qualified. The dispute shall be presented to and resolved by the Job Bank Steering Committee.

If it is determined that an employee on a recall list is qualified for a vacant position, the employee will be given priority consideration and may be selected. Appeals regarding employees on a recall list and their qualifications for a position will be handled by the Civil Service Commission.

The grievance procedure under the Labor Agreement shall not apply to determinations as to qualifications of the employee for a vacant position.

3. During their assignment to the Job Bank, affected employees will be provided an opportunity to meet with the Employer's Placement Coordinator to discuss such matters as available employment opportunities with the Employer, skills assessments, training and/or retraining opportunities, out-placement assistance and related job transition subjects. Involvement in these activities will be at the discretion of the employee. Further, affected employees will be granted reasonable time off with pay for the purpose of attending approved skills assessment, training and job search activities. Displaced certified temporary employees are eligible for the benefits described in this paragraph. These services shall be provided to the Job Bank employee at no cost to the employee.

III. Layoff, Bumping and Retirement Considerations

1. A "Primary Impact Employee" is an employee who enters the Job Bank due to the elimination of his/her position. A "Secondary Impact Employee" is an employee who enters the Job Bank because he/she may be displaced by a Primary Impact Employee. All affected employees may exercise the displacement, "bumping" and/or layoff rights immediately. A Primary Impact Employee must exercise displacement or bumping rights within forty-five (45) days of entering the Job Bank (or within twenty-two [22] days of entering the Job Bank for an employee entitled to 30-days in the Job Bank). A Primary Impact Employee who exercises his/her displacement or bumping rights within the first thirty (30) days from entering the Job Bank (within the first fifteen [15] days for an employee entitled to 30-days in the Job Bank) shall have 8 hours added to the employee's vacation bank. A Secondary Impact Employee must exercise his/her displacement or bumping rights within seven (7) calendar days of being displaced or bumped. Displacement and bumping rights shall be forfeited unless exercised by the deadlines specified in this paragraph or in the provisions of 2.a *iii*, Lateral Transfers, above. Regardless of when bumping rights are exercised, any change in the compensation of the employee resulting from the exercise of bumping rights shall not take effect until after the employee's term in the Job Bank would have expired had the employee remained in the Job Bank for the maximum period.

2. If an affected employee is unable to exercise any "bumping" rights, or forfeits their bumping rights, under the Agreement or other authority and has not been placed in another City position, the employee shall be laid off and placed on the appropriate recall list with all rights pursuant to the relevant Labor Agreement provisions, if any, and all applicable Civil Service rules. In addition, they shall be eligible for the benefits described as follows:
   (a) The level of coverage, single or family, shall continue at the level of coverage in effect for the laid off employee as of the date of layoff.
   (b) The health/dental plan that shall be continued shall be the plan in effect for the employees as of the date of layoff.
   (c) The City shall pay one hundred (100) percent of the premiums for the first six (6) months of COBRA continuance at the level of coverage and plan selected by the employee and in effect on the date of the layoff.

   The terms of this provision relating to the continuation of insurance benefits will expire on December 31, 2013. The City Council must take specific action to extend these terms relating to the continuation of insurance benefits if the City Council wants those specific insurance benefits to apply to laid off employees after December 31, 2013.

3. If eligible, affected employees may elect retirement from active employment under the provisions of an applicable pension or retirement plan. In such event, affected employees will be eligible for any available Retirement Incentive that is agreed to by the Parties.

IV. Dispute Resolution. Disputes regarding the application or interpretation of this Agreement are subject to the grievance procedure under the Labor Agreement between the parties, except as specifically provided here. A dispute regarding the application or interpretation of this Agreement that needs to be resolved during an employee's time in the Job Bank may be submitted to the Job Bank Steering Committee. The decision of the Job Bank Steering Committee will be binding on the parties. Submission to the Job Bank Steering Committee shall not preclude the filing of a grievance on the issue. However, the decision of the Steering Committee shall

be admissible in an arbitration hearing on such grievance.

The provisions of this *Letter of Agreement* associated with the Job Bank Program shall become effective upon the approval of the Employer's Council and Mayor. The Job Bank procedures outlined herein shall be observed after the negotiated termination date of the Labor Agreement between the Parties, and expire on December 31, 2013.

To the extent that there is any conflict between the terms of this *Letter of Agreement* and the Labor Agreement, the Labor Agreement shall prevail.

NOW THEREFORE, the Parties have caused this *Letter of Agreement* to be executed by their duly authorized representative whose signatures appear below.

FOR THE EMPLOYER:

10-14-11

Timothy O. Giles Date
Director, Employee Services

FOR THE UNION:

10/10/11

Todd Doncavage Date
Business Representative, Local 49