AGREEMENT

between

HEALTH SYSTEMS COOPERATIVE LAUNDRIES

and

INTERNATIONAL UNION OF OPERATING ENGINEERS
LOCAL NO. 70, AFL-CIO

February 1, 2017 through January 31, 2020
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THIS AGREEMENT, entered into by and between Local Union No. 70 of the International Union of Operating Engineers, affiliated with the American Federation of Labor-Congress of Industrial Organization, hereinafter called the "Union", and Health Systems Cooperative Laundries, St. Paul, Minnesota, hereinafter referred to as the "Employer".

ARTICLE 1 – JURISDICTION AND UNION SHOP

Section 1. All persons now employed or hereinafter employed by Health Systems Cooperative Laundries thirty-one (31) days from the date of their employment, and coming under the jurisdiction of this Agreement shall become and remain members in good standing of the International Union of Operating Engineers, Local No. 70, AFL-CIO or alternately shall pay the portion of the initiation fee, dues and assessments that are uniformly applied to all members covered by this Agreement that relate to the Union's representation function.

Section 2. If any employee does not remain "in good standing" as defined above, the Employer shall terminate the employee within twenty-four (24) hours of written notice to do so from the Union or as soon as a replacement can be obtained, but not to exceed two (2) weeks. The Union shall save the Employer harmless from any claims of an employee so terminated.

Section 3. The Employer agrees to deduct monthly Union dues from the wages of employees covered by this Agreement who are Union members. Such deductions shall be made only for employees who voluntarily provide the Employer with a written authorization agreeing that such deductions may be made. The authorization shall not be irrevocable for a period of more than one (1) year or beyond the termination date of this Agreement, whichever occurs sooner. Deductions shall be made by the Employer during the first pay period of each calendar month and transmitted to the Union together with a list of the names of the employees and deductions made. The Union agrees to refund promptly any dues found to have been improperly deducted and transmitted to the Union.
Section 4. The Employer agrees not to enter into any agreement or contract with his employees who are in the classifications herein noted, individually or collectively, which in any way conflicts with the terms of this agreement.

Section 5. The Union agrees not to enter into any contract with any other individual, employer, or group of Employers on any terms that establish minimum standards below the conditions set forth in this contract.

Section 6. All work under jurisdiction of an engineer shall be done by an engineer, except in cases of business emergency.

ARTICLE 2 – WAGES

Section 1. Employees in the classifications listed below shall be paid at least the following hourly rates:

<table>
<thead>
<tr>
<th>Classification</th>
<th>2/1/2017</th>
<th>2/1/2018</th>
<th>2/1/2019</th>
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<tr>
<td>Electrician Technician</td>
<td>$31.65</td>
<td>$32.10</td>
<td>$32.55</td>
</tr>
<tr>
<td>First Engineer</td>
<td>$31.65</td>
<td>$32.10</td>
<td>$32.55</td>
</tr>
<tr>
<td>Junior Engineer ($2.50 less than First Engineer Wage)</td>
<td>$29.15</td>
<td>$29.60</td>
<td>$30.05</td>
</tr>
<tr>
<td>Maintenance Mechanic</td>
<td>$26.80</td>
<td>$27.25</td>
<td>$27.70</td>
</tr>
<tr>
<td>Maintenance Mechanic Trainee ($2.50 less than Junior Engineer Wage)</td>
<td>$26.65</td>
<td>$27.10</td>
<td>$27.55</td>
</tr>
<tr>
<td>Maintenance Janitor</td>
<td>$20.60</td>
<td>$21.05</td>
<td>$21.50</td>
</tr>
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Current employees will receive forty-five cents ($0.45) on February 1, 2017, and forty-five cents ($0.45) on February 1, 2018, and forty-five cents ($0.45) on February 1, 2019, above their current salaries.

Section 2. Licenses.

Subd. 1. First Engineers shall have and maintain at a 2nd Class Grade B Engineer’s license through the State of Minnesota.

Subd. 2. Junior Engineers shall have and maintain a Special Engineer License through the State of Minnesota.
Subd. 3. Junior Engineers shall have eighteen months from entering the classification to obtain a 2nd Class Grade B Engineer's license through the State of Minnesota. Upon obtaining a 2nd Class Grade B Engineer's license, a Junior Engineer shall automatically progress to First Engineer. However, if a Junior Engineer fails to obtain a 2nd Class Grade B Engineer's license within those eighteen months, he/she may be subject to termination for cause by the Company or demoted to Maintenance Mechanic at the Company's discretion.

Subd. 4. Upon successful completion of their probationary period, individuals classified as Maintenance Mechanic trainees shall be classified as a Maintenance Mechanic. Additionally, Maintenance Mechanics may advance to a Junior Engineer position upon receiving their Special Engineer license through the State of Minnesota if the Company determines a vacancy or need exists for that individual.

Subd. 5. Any current employee within a classification without the proper license will be provided six months from ratification of this Agreement to obtain the necessary license for that classification. If the employee fails to obtain the proper license within that time period, he may be subject to termination for cause or be reclassified to Maintenance Mechanic classification and the rate for such position at the Company's discretion.

Section 3. Wages earned shall be paid per company policy in currency, negotiable check or direct deposit.

Section 4. No employee now getting a weekly wage shall be put on an hourly basis to defeat the provisions of this contract. The wage scale shall constitute the minimum required by this Agreement. The Employer, in its discretion, may raise wage levels of individual employees above this minimum scale.

Section 5. The undersigned Employer agrees to maintain adequate record of wages paid, hours of daily and weekly employment and to keep same on hand at least sixty (60) days so that the representatives of the Union and the Employer may examine same for any cause whatsoever at any reasonable
time in such manner as they decide.

Section 6. The Employer agrees to pay license renewal fees for employees covered by the contract who are currently holding engineer licenses.

Section 7. Those Union employees who work less than an average of twenty-four (24) hours per week will not be eligible for benefits as stated in Article 6.

Section 8. Shift Differential. Any employee working the second shift will receive thirty-five cents ($0.35) per hour shift differential.

Section 9. Shift Differential. Any employee working the third shift will receive sixty-five cents ($0.65) per hour shift differential.

Section 10. Maintenance Janitor. Position will have access to all terms of this contract except for Article 2, Section 9. Shift Differential, this position will have flex scheduling.

Section 11. Educational Reimbursement. At its discretion, the Company may reimburse employees, up to a maximum of $750.00 per year, for educational programs taken to advance the employee’s career if the program is directly related to the employee’s position at the Company. Requests for reimbursement by an employee must be made and approved prior to commencement of the training program. If an employee leaves the Company’s employment within one year of the reimbursement, he/she will be responsible for reimbursing the Company for all expenses paid on the employee’s behalf.

ARTICLE 3 – HOURS

Section 1. An engineer’s normal work day within the normal work week shall be eight (8) hours. The normal work week shall be five (5) successive work days, whether this be Sunday through Thursday or Monday through Friday or Tuesday through Saturday. Changes in the work week schedule shall be made only after one (1) weeks’ notice to the employee involved. Time and one-half will be paid for hours worked over forty (40) in one week or over eight (8)
hours in one day. However, there will be no pyramiding of overtime. Time and one-half will be paid for all hours worked on Saturday unless part of the employee’s scheduled five successive work days for that week. Double time will be paid for all hours worked on Sunday, unless part of the employee’s five successive work days. Saturday work will be scheduled by forty-eight (48) hours advance notice if possible.

Section 2. All employees shall be requested to keep complete records of all time worked.

Section 3. All time shall be determined and paid for to the nearest fifteen (15) minute period. Employees must punch their own time card.

Section 4. When an engineer, other than the Lead is assigned the position and responsibility of the Chief Engineer for any reason (vacation relief, sick leave, etc.), he/she shall be compensated one dollar ($1.00) per hour above their scheduled hourly rate of pay.

ARTICLE 4 – HOLIDAYS

Section 1. Holidays. The following days shall be recognized as legal holidays: New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Any work performed on a holiday shall be paid for at the rate of time and one-half, which shall be in addition to the pay for the holiday not worked. Regular full-time employees ready and available for work in a week in which a holiday occurs will be credited with eight (8) hours pay at the regular rate. When a holiday falls on a Saturday or Sunday, employees will either be given another day off or credit for the paid holiday benefit. Credit for a holiday falling on a Saturday or Sunday shall be for the number of hours, which an employee was ordinarily scheduled to work.

Section 2. Personal Time Off Days. There shall be six (6) additional personal time off days to the above designated holidays that may be used for personal time off, including sick days. Days designated as personal time off days shall be mutually agreeable to both the Employer and the individual engineer, after one (1) year employment, on an individual’s anniversary date.
ARTICLE 5 – VACATION

Employees with one (1) year or more of continuous employment with the same Employer shall be granted two (2) weeks’ vacation with pay. Employees with five (5) years or more of continuous employment with the same Employer shall be granted three (3) weeks’ vacation with pay. Employees with ten (10) years or more of continuous employment with the same Employer shall be granted four (4) weeks’ vacation with pay. Employees hired prior to July 1, 2005 and with twenty (20) years or more of continuous employment with the same Employer shall be granted five (5) weeks’ vacation with pay.

Those employees working less than an average of twenty-four (24) hours per week and with one (1) year or more of continuous employment with the same Employer will be granted vacation with pay based on the number of average weekly hours from the period of February 1 through January 31.

St. Paul Sick and Safe Time Ordinance Contingency:

In the event the City of St. Paul’s Sick and Safe Time Ordinance takes effect on or after July 1, 2017, in order to comply with that Ordinance, vacation time and/or personal time off days under this Agreement may be used in the manner, amount, and for the reasons allowed under that Ordinance in increments of no less than four (4) hours. Additionally, if the City’s Ordinance takes effect, new employees with less than one year of service shall receive the six personal days off after their first ninety (90) days of employment to be used during their first year of employment or forfeited.

ARTICLE 6 – HEALTH AND WELFARE

The Employer agrees to provide hospitalization, life, medical, and dental insurance to all employees covered under this Agreement pursuant to the Company’s insurance plan for employees covered under this agreement. Benefits under this provision cannot be amended or changed without mutual agreement of all parties involved. Any change mutually agreed upon will be
communicated promptly to the Union. The Company also agrees to provide group term life insurance for all eligible employees in the amount of $20,000. The Company will contribute ninety percent (90%) towards the employee’s monthly premium for those employees who are covered under the Company’s hospitalization, medical and dental insurance plan for single coverage with the employee responsible for no less than ten percent (10%) of the premium. Also, the Company will contribute ninety percent (90%) of the premium for single coverage towards the premium for family coverage for any employee covered by the family plan with the employee responsible for the remaining portion of the premium.

Long Term and Short Term Disability Insurance will be provided by Employer for all employees.

During the term of this agreement the company will contribute two thousand dollars ($2,000.00) toward funding a Health Savings Account (HSA) for those employees that elect to have Single Health Insurance coverage. The company will contribute two thousand five hundred dollars ($2,500.00) toward funding as HSA account for those employees that elect to have Family Health Insurance coverage.

**ARTICLE 7 – MAINTENANCE OF STANDARDS**

It is agreed that general working conditions including conditions of employment relating to wages, hours of work, overtime differentials, vacations, and holidays now granted shall be maintained at not less than the highest minimum standards in effect at the time of the signing of this Agreement, and the conditions of employment shall be improved wherever specific provisions for improvement are made elsewhere in this Agreement.

**ARTICLE 8 – JURY DUTY**

When an employee who has six (6) months or more of seniority status, receives notice of jury duty, he shall notify his/her supervisor at once. He/she will be given leave for such jury duty and will be made whole for loss of pay
during that period. He/she will report for work whenever his/her jury duty does not conflict with the schedule of work hours applicable to him/her. In making the employee whole, his/her wage will be computed as if he/she had worked on his/her regular job and be paid in full therefore, minus the amount evidenced by his/her jury check, not to include any other allowances. In no event shall jury allowance be made in any one year to an employee for over two weeks of such service. Whenever considered necessary by the Employer because of the needs of the business at a particular time or the difficulty of substitution for the particular employee, said employee will cooperate with the Employer in requesting and obtaining a postponement of said jury duty.

ARTICLE 9 – FUNERAL LEAVE

An employee who has six (6) months or more of seniority status shall be granted a maximum of three (3) days, including the day of the funeral and the day before the funeral, for the purpose of attending the funeral of said employee's mother, father, spouse, brother, sister, children, grandparents, grandchild, step-parent and step-child, and current mother-in-law or father-in-law.

ARTICLE 10 – GRIEVANCE AND ARBITRATION

Section 1. Any dispute relating to the interpretation of or adherence to the terms and provisions of this Agreement shall be handled in accordance with the following procedures:

a. **Step 1.** The dispute shall be raised within seven (7) calendar days of the alleged violation by the affected employee(s), or the shop steward and with the Employer.

b. **Step 2.** If the grievance is not resolved in Step 1, it shall be reduced to writing and submitted to the other party within seven (7) calendar days of the Step 1 meeting. The writing must set forth the particular terms and provisions of the contract allegedly violated, the facts of the alleged violation, and the relief requested. The dispute shall then be discussed
within seven (7) calendar days from submission of said writing by the shop steward, the employee(s) involved, a union representative and the Employer.

c. **Step 3.** If the grievance is not satisfactorily resolved in Step 2, either party may refer the matter to arbitration. Any demand for arbitration shall be in writing and must be received by the other party within fourteen (14) calendar days following the Step 2 meeting. The Company and the Union shall attempt to agree on a neutral arbitrator who shall hear and determine the dispute. If no agreement is reached, the arbitrator shall be selected from a list of seven (7) neutral arbitrators to be submitted to the parties by the Federal Mediation Conciliation Service. The arbitrator shall be chosen by alternate striking, the party raising the grievance shall strike first.

**Section 2.** The time periods set forth in Section 1 shall be absolute and failure to comply therewith shall be deemed a waiver of the grievance unless the parties mutually agree in writing to extend said time periods. The Arbitrator shall have no authority to consider any grievance which does not comply with the deadlines.

**Section 3.** No employee shall be discriminated against and no employee shall be discharged for giving information regarding violation of this Agreement to the Union or its authorized representatives.

**Section 4.** Failure by the Employer or its representative to issue a decision within the time periods provided herein shall constitute a denial of the grievance and the employee(s) involved may proceed to the next step.

**Section 5.** The authority of the arbitrator shall be limited to making an award relating to the interpretation of or adherence to the written provisions of this Agreement, and the arbitrator shall have no authority to add to, subtract from or modify in any manner the terms and provisions of this Agreement. The award of the arbitrator shall be confined to the issues raised and the written grievance and the arbitrator shall have no power to decide any other issues. The decision of the arbitrator shall be in writing and shall set forth fully the basis upon which the decision is made together with the specific provisions of
the Agreement relied upon. The arbitrator’s decision shall be final and binding on both parties.

Section 6. Both the Employer and the Union shall share equally in any cost of arbitration, except both the Employer and the Union shall bear the cost of their own representatives and witnesses.

ARTICLE 11 – NO STRIKE, NO LOCKOUT

Section 1. During the term of this Agreement, the Union agrees on behalf of itself and each of its members that there shall be no authorized strike of any kind, and there shall be no boycott, picketing, work stoppage, slowdown, or any other type of organized interference, including sympathy strikes, coercive or otherwise, with the Company’s business.

Section 2. There shall be no lockout by the Company during the term of this Agreement.

ARTICLE 12 – SENIORITY

Section 1. As provided in this Article, the undersigned Employer agrees that the performance of their duties meeting the requirements of the position involved, they will select, retain, promote, transfer, lay off, discharge and rehire employees in the order of their seniority.

Section 2. A regular employee is hereby defined as one who has been regularly and continuously employed by the same Employer for a period of thirty (30) days. Intermittent employment shall not be used to defeat the purpose of this definition. The seniority of any employee upon attaining the status of a regular employee shall be considered to date as of the first day of employment.

Section 3. In reducing the personnel because of lack of work or for other legitimate reason, the last employee hired shall be the first laid off, and laid off employees shall be returned to work in the reverse order, provided the
retained employees possess the qualifications sufficient, in the Employer’s reasonable discretion, to perform the work provided that any controversy over the qualifications of an employee shall be adjusted according to the procedure set forth in Article 9 of this Agreement. Employees shall receive three (3) days’ notice of any layoff, but recall rights shall expire after a layoff exceeds twelve (12) months in duration.

Section 4. When a regular job becomes open in a classification of work covered by this Agreement, it shall be posted by the Employer for seven (7) days. Regular employees shall be eligible to bid on such jobs, and such jobs shall be awarded based on the Employer’s reasonable evaluation of qualifications. In the event employees are equally qualified, the most senior employee shall be awarded the job.

Section 5. Seniority shall be broken and the employee’s employment terminated when an employee:

a. is discharged for just cause, retires, or voluntarily resigns;

b. is laid off for more than twelve (12) months, or fails to return from lay off within four (4) work days of recall;

c. fails to return after the expiration of an approved leave of absence, or is absent for more than six (6) months for medical reasons; or

d. has three (3) consecutive days of no call/no show.

ARTICLE 13 – PICKET CLAUSE

Employees shall not be obliged to pass through a picket line formed by any other legitimate striking union, except for a picket line involving the Employer. The Union agrees to do all in its power to help effect a peaceful settlement of any controversy, which might arise with any other union.
ARTICLE 14 – RETIREMENT

Section 1. Employees covered by this Agreement shall be eligible to participate in the Employer’s 401(k) Profit-Sharing Plan under the terms and conditions for eligibility, contributions and vesting established by that Plan, as it may from time to time be amended, not inconsistent with this Agreement, but shall not be eligible for the three percent (3%) Employer matching payments provided under that Plan. No Employer lump sum or weekly 401(k) contributions under this Article are due to be made for probationary employees. The Employer is under no obligation to pay any increase in Employer contributions not expressly agreed to and embodied in signed writing.

Section 2. Beginning February 1, 2017, the Employer shall contribute, for each employee meeting eligibility requirements for the Plan described in the above paragraph, the amount of sixty-five dollars ($65.00) per week. Beginning February 1, 2018, the Employer contribution shall increase to seventy dollars ($70.00) per week for each employee meeting eligibility requirements for the plan. Beginning February 1, 2019, the Employer contribution shall increase to seventy-five dollars ($75.00) per week for each employee meeting eligibility requirements for the plan. This contribution will be deposited in to the employee’s individualized 401(k) account as an Employer contribution. This contribution will be made regardless of the employee’s participation in the voluntary 401(k) portion of the Plan.

ARTICLE 15 – PROBATIONARY PERIOD

The first six months working days of employment for newly hired employees shall be a probationary period during which the employees may be discharged with or without cause. The Employer may extend the probationary period by an additional three (3) months upon notice to the Union.
ARTICLE 16 – CLOTHING

Section 1. The Employer agrees that appropriate footwear, to ensure their health and safety, shall be provided for all employees. The Employer will provide one hundred twenty-five dollars ($125.00), for such footwear, to each employee on February 1 of each year of the Agreement, upon receipt evidencing the purchase of such footwear during the year in question.

Section 2. The Employer agrees that if any employee is required to wear any kind of uniform, said uniform shall be furnished to the employee by purchasing the article for them or issuing them a uniform allowance.

ARTICLE 17 – MANAGEMENT RIGHTS

Except as limited by the specific provision expressed in this Agreement, the Company shall continue to have the right to take any action it deems appropriate in the management of the business and in the direction of its work force, in accordance with its judgment, including but not limited to the right to control, plan, direct, expand, change, reduce and terminate operations; to determine the location, number and types of facilities and departments; to determine the number of employees, to select, hire, train, layoff, and assign and reassign, employees; to schedule work, to relieve employees from duty because of lack of work; discharge for just cause; to introduce any new or improved methods or facilities; and to make and modify reasonable rules, regulations and practices to govern employees and for the operation of its business, including safety, disciplinary and work rules, and drug and alcohol testing policies; to establish and modify light duty programs or positions, to determine performance and quality standards, to evaluate employees' performance, and to take action to remedy substandard performance, to create, modify, and abolish jobs, and job classifications as long as it is not in conflict with any provisions of the Labor Agreement.
ARTICLE 18 – SUCCESSORSHIP

The Employer and the Union agree that this shall bind and be enforceable with respect to the Employer’s successors, purchasers, transferees and assigns to the extent required by law. The Employer further agrees to give notice of this Article to any prospective purchaser, transferee or assignee and give union reasonable time and notice before any documents relating to the sale or transfer are executed by Employer.

ARTICLE 19 – LENGTH OF AGREEMENT

This Agreement and the rights covered herein shall become effective as of February 1, 2017, except as elsewhere provided herein, and continue in full force and effect from year to year hereafter unless written notice is given by either party to the other party sixty (60) days prior to February 1, 2020, or sixty (60) days prior to February 1 of any year thereafter of that party’s intention to reopen as of the renewal date of February 1 for any reason whatsoever. Retroactive rights herein conferred shall be effective only as to present employees.
IN WITNESS WHEREOF, the parties hereto have caused these present to be duly executed.

For: Health Systems Cooperative Laundries

Larry Hilton, General Manager

For: International Union of Operating Engineers, Local 70

David Monsour, Business Manager

Michael Dowdle, President

Linda Powers, Recording Secretary

Drew Brodeen, Business Representative

Steward

Date:

7/15/2017

Date:

DB/jcb/opeiu#12
Contracts/HSC Laundry