AGREEMENT

between

MERCY HOSPITAL

and

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

October 1, 2019 through September 30, 2022
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THIS AGREEMENT, made and entered into this 1st day of October 2019, by and between MERCY HOSPITAL OF MOOSE LAKE, MINNESOTA, a charitable corporation, hereinafter referred to as either the “Employer” or the “Hospital” and the INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL NO. 70, affiliated with the AFL-CIO, of St. Paul, Minnesota, hereinafter referred to as the “Union.”

ARTICLE 1 – PURPOSE

WHEREAS, the Union has been certified by the Minnesota Department of Labor as the bargaining representative for the employees hereinafter defined; and

WHEREAS, the parties desire to establish, maintain and regulate the mutual relations between the Hospital on the one hand and the employees on the other, to the end that the employees, the Hospital, and the general public may mutually benefit.

NOW, THEREFORE, the parties enter into this contract to cover the employees hereinafter defined, and in general, their hours, wages, and general working conditions.

ARTICLE 2 – RECOGNITION

Section 1. The Employer recognizes the Union as the exclusive bargaining agent for all of the engineers in the certified unit of Mercy Hospital, Moose Lake, Minnesota.

Section 2. As a condition of continuing employment, all persons now employed and who are presently members of Local No. 70, AFL-CIO as of October 1, 1994 or hereinafter employed by Mercy Hospital Moose Lake, Minnesota and electing to come under the Union’s jurisdiction as members of the Union shall become and remain members in good standing of the International Union of Operating Engineers, Local No. 70, AFL-CIO beginning no later than ninety (90) days following the date of their employment.
Section 3. The Employer shall not enter into any agreement with the employees coming under the jurisdiction of this contract, either individually or collectively, which in any way conflicts with the terms and conditions of this contract.

ARTICLE 3 – PAID TIME OFF (PTO)

All employees covered by the terms of this contract shall receive PTO as a reward for past service and to provide them with sufficient relaxation and rest to prepare them for work for the ensuing year. PTO shall be scheduled and allowed as in Section 1 and Appendix A.

Section 1. PTO shall be scheduled as of May 1st of each year consistent with the best operation of the Hospital and the continuance of patient service, provided, however, that scheduling shall be according to the preference of the employees, with the senior employees having preference as to the vacation dates.

ARTICLE 4 – HOLIDAYS

Section 1. The following days shall be considered holidays, namely: New Year’s Day, Easter, Memorial Day, July Fourth, Labor Day, Thanksgiving Day, Christmas Eve Day and Christmas Day.

Section 2. If an employee scheduled for a normal work week is required to work on one of the designated holidays, such employee will be given compensatory time off at one and one-half (1-1/2) times the hourly rate for the first eight (8) hours during the pay period in which the holiday falls on which such employee is required to work or in lieu thereof, the Hospital may, at its option, pay such employee eight (8) hours’ pay at one and one-half (1-1/2) times such employee’s regular occupational rate. Any hours worked in excess of eight (8) hours shall be paid at one and one-half (1-1/2) times the time and one-half (1-1/2) hourly rate. If the holiday falls outside of such employee’s normally scheduled work week, the Hospital will pay such employee his regular scheduled rate of pay for his occupation for the normal number of hours for which such employee is scheduled.
Section 3. If an employee scheduled for a normal work week shall be required to work on a holiday, the Hospital shall use reasonable efforts to notify such employee at least one (1) week prior to the date of such holiday that such employee is so scheduled for work. It is recognized by both parties that because of unforeseen illness and absences, such notice may not be possible in all instances, but both parties will exercise reasonable judgment so as to be able to provide the necessary continued hospital care for the patients of the institution.

Section 4. Absences from work or leaves of absence, except an excused absence, on an employee's scheduled work day preceding or following a holiday shall forfeit his or her holiday pay. For the purpose of this paragraph, if any employee works a holiday but is given a compensatory day in lieu of such holiday then the compensatory day off shall be considered such employee's holiday.

Section 5. If a Hospital holiday falls within the PTO period of any employee, one (1) additional day or time off will be allowed for such holiday.

ARTICLE 5 – SENIORITY

Section 1. Every employee covered by the terms of this contract shall have seniority as herein provided from the date of such employee's original date of hire as posted on the seniority list unless such seniority is broken for reasons specified herein. Such seniority shall apply to layoffs, rehiring, and filling of vacancies in jobs covered by the terms of this contract in the manner hereinafter set forth.

Section 2. Seniority shall be defined for the purpose of lay-off and recall or the first day of hire within the maintenance department. However, for the purpose of accrued benefits employees who transfer from another department shall be credited with all years of service with the Employer.

Section 3. New employees shall be considered newly hired employees for a period of ninety (90) days of actual work and during such orientation period they may be discharged by the Hospital without cause and without the same constituting a subject for grievance within the meaning of this contract.
Following satisfactory completion of the orientation period, such employee seniority shall begin from the date of his or her original hire.

Section 4. The Employer will, on the first day of May, of each calendar year, prepare and post a seniority list of all employees covered by this contract on a bulletin board established for employee informational purposes in the Hospital, and shall submit copies to the Union. Such list shall specify both the departmental and unit-wide seniority of each employee included on the list. Employees may, within ten (10) days after posting of such list, file with the Employer any objection to the seniority rating of any employee on the list. If the Employer agrees that an error has been made, then it shall be immediately corrected. If the employee, the Union and the Employer cannot agree as to whether an error has been made or not, then the dispute shall contribute proper subject for grievance and be handled under the grievance section of this Agreement. If no objection if filed to the list as posted, then twenty (20) days after posting such list shall be considered final and binding as posted, and there shall be no change in such list except for new employees whose names are placed on subsequent seniority lists or except as to employees whose seniority is broken hereinafter provided and whose names are therefore removed from the list.

Section 5. The seniority of any employee shall be lost or broken and thereby terminated at the discretion of the Employer if such employee shall voluntarily quit his employment, be discharged for cause, shall fail to report for work after layoff within one (1) week after receiving registered mail notice to return, if he/she shall be employed by another Employer during a leave of absence, or if he/she shall be on layoff for over eighteen (18) months.

Section 6. In the case of reduction of forces, employees shall be laid off in accordance with the seniority roster in the inverse order of hiring so long as all remaining employees shall have the qualifications to perform the job which they are to hold and upon return to work, such employees will be rehired in the inverse order of layoff if their qualifications and ability allow them to satisfactorily fill the position to which they are recalled. If a dispute arises over whether employees have been laid off or recalled in proper order within the meaning of this section, the same shall be settled in accordance with the grievance procedure.
Section 7. Employee permanent transfers will be facilitated through mutual consent of the Hospital and the employee. If an employee is transferred, he/she shall retain the accumulated seniority which the employee had at the time of the transfer in the department from which he/she was transferred. He/she shall, upon such transfer, begin to accumulate seniority in the department to which he/she has been transferred, which accumulation shall begin from the date of such transfer. During the first sixty (60) days in the new department to which an employee has been transferred, such employee shall be considered an employee in orientation in the new department and may be subject to be returned to his/her old department at the discretion of management. Further, during the same sixty (60) day period, such employee may also return to his/her old department and position at his/her own request.

Section 8. Departmental seniority shall be considered in filling promotions or vacancies provided such senior employee has the ability and qualifications to adequately fill the position. If no qualified applicant in the department applies for posted vacancy, then the overall seniority of applicants shall be considered together with their qualifications and ability before any outside applicant shall be considered for such position.

Section 9. Notice of all vacancies or newly created positions shall be posted on employees' bulletin boards. Applicants desiring such posted position shall apply within five (5) days of such posting. The senior employee making application shall be transferred to the position in question provided he or she has the necessary qualifications and ability to perform the duties of the job involved, as such qualifications and ability are determined by the Employer. If the Union does not concur in the determination of the proper applicant as determined by management, the applicant may appeal through the normal grievance procedure established under this contract.

Section 10. If an employee shall desire a leave of absence, he/she shall request such leave in writing indicating the amount of time sought for such leave of absence. Whether such leave shall be granted will be determined at the Hospital's sole discretion. If such leave is granted, then it shall be authorized in writing indicating the amount of leave granted and the Union shall have a copy of such authorization upon request. If an employee is granted a leave of absence, he/she shall retain the seniority which he/she had at the start of such leave, but shall not accumulate any seniority during the period of such leave.
ARTICLE 6 – DEMOTIONS, DISCHARGES, SUSPENSIONS AND TRANSFERS

Section 1. An employee may be suspended or discharged for just cause. Among the reasons which shall be considered just cause for discharge shall be:

1. Gross violation of the rules of the Employer, provided that a written notice to the employee of a similar prior violation of such rule has been given to such employees as a warning;
2. Dishonesty;
3. Intoxication;
4. Drinking while on duty;
5. Neglect or mistreatment of patients or Hospital equipment,

which reasons so herein enumerated are not exclusive but merely indicative of a reasonable basis for such discharge.

Section 2. Any employee charged with an offense involving discharge shall be informed of such offense in writing at the time of discharge, and a copy thereof mailed to the Union. The Union or the employee so discharged may protest such discharge within five (5) days thereof by written notice to the Employer. If the employee or the Union is not satisfied with the answer of the Employer to such objections, such employee or Union shall submit such dispute to arbitration within five (5) days thereafter. If such objection is not so submitted to arbitration, such employee shall be barred from any claims of any kind against the Employer herein. Any employee who has, however, been discharged and which discharge is later found to be without just cause, if such determination is made as provided herein, shall be reinstated and paid for time lost, including overtime which such employee would have worked.

Section 3. Employees covered by this contract electing to resign or quit their employment will give the Employer two (2) weeks’ written notice and shall continue in the Employer’s service during this two (2) week period with the exception that the employee may leave sooner when competent replacement can be made by the Employer. The Employer electing to terminate for just and sufficient reasons the services of employees covered by this contract, and who are regularly and permanently employed, shall give such employee two (2) weeks written notice of termination of employment; or the Employer may, in lieu thereof, pay the employee two (2) weeks advanced salary and
immediately terminate the employment of the employee being discharged; provided, however, that if the employee is discharged for any of the specific reasons set forth in Section 1 above, neither two (2) weeks' notice nor two (2) weeks’ pay shall be required in the case of employees discharged for such reasons. Employees discharged without notice for any of the specified causes provided in Section 1, above, or employees who terminate their employment without giving the Employer the required notice, or who leave their employment before the end of the two (2) week period, shall forfeit all vacation pay, or other benefits to which such employee may be entitled, except his wages earned to the date of his last employment.

Section 4. If the employee fails to report for work as scheduled, or to furnish the Hospital with a justifiable excuse within forty-eight (48) hours thereof, such failure to report to work shall be conclusively presumed to be a resignation from the service of the Hospital and termination of such employee’s seniority and employment; provided, however, that if such employee can thereafter furnish the Hospital with reasonable proof that such employee could not report for work or could not notify the Hospital of his/her absence because of illness or unforeseen emergency or other similar justifiable reason, then such employee shall be reinstated without any break in the service record.

ARTICLE 7 – FUNERAL LEAVE

Employees will be granted a leave with pay of up to three (3) days to attend the funeral of a member of such employee’s immediate family. For the purpose of this Article, immediate family is defined to be limited to the employee’s wife or husband, spouse, parents, step parents, siblings, children, step children, grandparents, grandchildren, parents-in-law, and siblings-in-law.

Employees will be granted one (1) day with pay, for the day of the funeral only, in the event of death of the employee’s aunt, uncle, niece or nephew.

ARTICLE 8 – MATERNITY LEAVE

A leave of absence without pay will be granted to any employee in accordance with applicable laws of the State of Minnesota and Mercy Hospital Policy.
ARTICLE 9 – GRIEVANCE PROCEDURE

Section 1. Any dispute or controversy as to application or interpretation of any provision of this contract shall be settled under the following procedure:

Subd. 1. The aggrieved employee and/or Union representative shall, within fifteen (15) worked days informally meet with the employee’s immediate supervisor and discuss the grievance and attempt to resolve it. The supervisor shall, within ten (10) days thereafter submit their written answer to the aggrieved employee.

Subd. 2. If the grievance is not resolved at the time of the Step 1 informal discussion, it shall be reduced to writing and submitted to the Director of the Human Resources Department. The written grievance must be submitted within fifteen (15) worked days of the written response to Step 1. The Union and the aggrieved employee and the Director of Human Resources shall, within fifteen (15) days thereafter, give their written response to the Union.

Subd. 3. Should the Union or the aggrieved employee decide the reply is unsatisfactory, the Union, within fifteen (15) days request to move it to grievance mediation with the Bureau of Mediation Services. The step is optional and must be agreed upon by both parties. The opinion of the mediator, will not be binding on either party. If this step is not requested, the Union shall, within twenty (20) days thereafter the receipt of the response from the Director of Human Resources, appeal such decision to arbitration.

Subd. 4. Should the Union or the aggrieved employee decide the reply is unsatisfactory, it may within twenty (20) days after the receipt of such disposition from the Administrator, or the results of the optional mediation appeal such decision to arbitration. If any matter is appealed to arbitration as above provided, a request shall be submitted to the Federal Mediation and Conciliation Services for a panel of five (5) neutral arbitrators. Upon receipt of the panel the parties shall alternately strike four (4) names, the first strike shall be by the Employer, the last name remaining shall be the arbitrator.
The arbitrator shall not add to, subtract from, or vary the terms of this Agreement. All decisions must be rendered in accordance with the language of this Agreement or written interpretations pertaining hereto signed by the parties to this Agreement or their representatives.

The decision of the arbitrator shall be final and binding on the Union and the Employer, and any employee affected in any grievance so settled. There shall be no appeal of the arbitrator's decision by any party to any court, except on grounds specified by statute.

The neutral arbitrator's fees and expenses, together with the cost of any hearing room, shall be borne equally by the parties. All other costs and expenses shall be borne by the party incurring them.

Section 2. Whether the grievant by the Employer, the Union or an employee, if the appropriate responding party does not answer a grievance within the time set forth in this Article, then, unless the time lines have been extended in writing by both parties, the grievant shall prevail, and the matter shall be implemented as if the grievance had been allowed. Refusal of either party to submit to or appear at a grievance conference at any stage shall result in loss of the grievance by default of the party so absent.

ARTICLE 10 – HEALTH AND WELFARE AND PENSION

Section 1. The Employer shall establish and maintain a Pension Plan effective December 1, 1971, for all employees with the bargaining unit under the rules and provisions of said Pension Plan. During the term of this Agreement the Employer shall contribute six percent (6%) of the employee’s salary in behalf of the employee to said Pension Plan after the employee completes one (1) year with 1,000 hours of service.

Section 2. Effective April 1, 1975, the Employer shall provide any pay for hospitalization for each employee who works forty-eight (48) hours or more per pay period. Coverage shall begin the first day of the month following the completion of the employee's orientation period of ninety [90] days or five hundred (500) hours. Minimum coverage to be provided is defined in Schedule “A” attached to this Agreement.
Section 3. Dental Care. Effective January 1, 1981, the Employer shall provide a
dental care policy, with the Employer and employee each paying fifty percent
(50%) of the premium.

Section 4. Long Term Disability. The Employer shall make available to the
employees, a long term disability insurance policy. If an employee chooses to
take out such insurance, it shall be at the employee’s own expense.

Section 5. Health Insurance Taskforce. A taskforce consisting of representatives
from each bargaining unit represented at Mercy and representatives from
Mercy will reopen sections of this Article pertaining to Health Insurance
Benefits each year of the Agreement to negotiate the terms of the Health
Insurance Plan for the following year. The decision for changes or
modifications to the plan will be determined by the consensus of the taskforce.

ARTICLE 11 – UNION ACTIVITIES AND ACCESS TO PREMISES

Section 1. If any employee is selected to represent the Union at any
International, State or District meeting of such Union, then such employee
may be permitted leave from duty if such leave will not interfere with the
operations of the Employer. Any employee so desiring leave shall request
leave at least one (1) week in advance of the time for which leave is sought.
Any employee to whom leave is granted under this section shall be granted
such leave without pay, but shall not lose any rights or status under this
Agreement because of such leave.

Section 2. Any Union representative desiring access to the premises shall first
inform the Employer at the Administrator’s office of his reason for being on
the Hospital premises. Any activity conducted by such representative in
carrying out the terms of this Agreement shall not interfere with the normal
operations of the Hospital.
ARTICLE 12 – HOURS OF WORK

Section 1. Eight (8) hours in any one (1) day and eighty (80) hours in any two (2) week work period shall constitute the normal work day and work period respectively. Hours worked in excess of eight (8) hours per day or eighty (80) hours in a two (2) week period shall be considered overtime hours and shall be compensated for at one and one-half (1½) times the regular rate of pay for the job performed.

Section 2. Employees shall receive fifteen (15) minute rest period at times designated by their immediate supervisor during each four (4) hours worked. Lunch periods are not included in computing such rest periods.

Section 3. As far as practicable, consistent with efficient operation of the Hospital, employees will be scheduled with two (2) consecutive days off and under normal circumstances shall not be required to work after having completed a shift without at least ten (10) hours off.

Section 4. The normal work period will begin at the start of the first day shift on Monday. Under normal operations, management will attempt to post work schedules for a full work period not later than the Thursday preceding such period which will begin on the following Monday. However, because of the nature of the Employer’s operation and because the Employer’s personnel needs are dictated by the census factor of patient’s in the Hospital, the Employer retains the right to change a schedule upon eight (8) hours’ notice to the employee involved.

ARTICLE 13 – RIGHTS OF MANAGEMENT

The management of the Hospital and the direction of the working forces, the operation of the Hospital, including hiring, promoting and retiring of employees, the suspending, discharging or otherwise disciplining of employees, the laying off and calling to work of employees in connection with any reduction or increase in the working forces, the scheduling of work, and the control and regulation of the use of all equipment and other property of the Hospital, are the exclusive functions of the Hospital Board, provide, however, that the exercise of such functions of the Hospital Board shall not conflict with or alter any of the provisions of this Agreement.
ARTICLE 14 – WAGE SCHEDULE

Section 1. The wage schedule for the employees covered by this contract in the respective classifications shall be as indicated in Schedule “B” attached to this Agreement.

Section 2. Employees who are required to be on-call will be paid by the following schedule for each period they are on-call from 0-24 hours. If the employee is actually called to work from on-call, he/she will be paid at the appropriate wage rate under the terms of this contract for all hours actually worked on special duty. Effective October 1, 2013, employees that are placed on-call will be paid five dollars and twenty-five cents ($5.25) per hour during the hours of on-call assignment. Effective October 1, 2015, on-call shall be five dollars and fifty cents ($5.50) per hour.

   Subd. 1. When an employee is on vacation, or a holiday falls during the day which he/she is “on call” or called back to work when not “on call,” paid vacation hours and paid holiday hours shall be considered as hours worked for the purpose of calculating overtime. Hours used for sick leave shall not be considered as hours worked under this provision.

Section 3. Employees who are called back to work after having completed a full shift of eight (8) hours in the Hospital will be paid a minimum of two (2) hours pay at regular rate of pay and one (1) hour of travel time. Such employees may be given compensatory time off for the (2) hour minimum or will be paid the minimum of two (2) hours at the regular scheduled rate of pay for his/her employment and one (1) hour travel time at the normal wage rate.

Section 4. License Differential. The Employer agrees to pay employees of the Union that possess or obtain through the State of Minnesota Boiler Operation License process a Ft Class C Boiler Operator’s License, a wage differential of one dollar ($1.00) per hour following proof of licensure. Proof of licensure shall constitute, presenting a copy of a current valid license to the Human Resources Department. Upon receipt of this certificate of licensure, the Employer will implement the wage differential for the following payroll period.

For employees that wish to become licensed, the Employer will provide the required educational materials necessary for exam preparation. The
Employer will reimburse the employee the examination fee and the cost of the annual boiler license renewal.

An employee with a refrigeration certification shall receive seventy-five cents ($0.75) an hour differential.

**ARTICLE 15 – UNIFORMS**

**Section 1.** All employees who are required by the Employer to wear uniforms will be granted an annual uniform allowance as follows:

A. Employees who are regularly employed from twenty (20) hours to forty (40) hours during a two (2) week pay period shall be paid an annual uniform allowance of one hundred dollars ($100.00).

B. Employees who are regularly employed from forty (40) hours to sixty (60) hours during a two (2) week pay period shall be paid an annual uniform allowance of one hundred dollars ($100.00).

C. Employees who are regularly employed sixty (60) hours or more during a two (2) week pay period shall be paid an annual uniform allowance two hundred fifty dollars ($250.00).

D. Effective January 1, 2012:

   a. Employees who are regularly employed from twenty (20) hours to sixty (60) hours during a two (2) week pay period shall be paid an annual uniform allowance of seventy-five dollars ($75.00).

   b. Employees who are regularly employed sixty (60) hours or more shall be paid an annual uniform allowance of one hundred twenty-five dollars ($125.00).

   c. The Employer will replace employee uniforms that are damaged or rendered unusable as a result of environmental, hazardous spills or mechanical wear, that are presented to the department supervisor, at no cost to the employee.

**Section 2.** All employees that were on the payroll of the Employer the effective date of this Agreement (October 1, 1969) shall be paid their annual
uniform allowance they pay period following the date this Agreement is signed by the parties and October 1\textsuperscript{st} of each year thereafter.

Section 3. All employees employed after the effective date of this Agreement (October 1, 1969) will be paid their annual uniform allowance on their date of employment and each year thereafter on the anniversary date of their employment.

Section 4. It is the responsibility of the employee to keep their uniforms neat and in good condition.

Section 5. If any employee is terminated less than ten (10) months after the date of their employment, the Employer may deduct from their final paycheck one-tenth (1/10) of their uniform allowance that was granted the employee for each month less than ten (10) months that they were employed.

Section 6. The uniforms purchased with the uniform allowance will become and remain the personal property of the employee.

Section 7. The Employer shall furnish and launder protective clothing such as aprons, jackets, etc. that are necessary in their respective classification. Protective clothing furnished by the Employer shall remain the property of the Employer.

\textbf{ARTICLE 16 – TERMINATION AND RENEWAL}

Section 1. This contract shall be effective October 1, 2019, and shall continue and remain in force and effect until the 30\textsuperscript{th} day of September, 2022, and from year to year thereafter unless either party hereto shall give written notice to the other on or before one hundred twenty (120) days prior to the 30\textsuperscript{th} day of September, 2022, or any anniversary thereof, of such party's desire to inaugurate collective bargaining discussions over changes in or termination of this contract, which such party may desire. Such notice shall state the substance of the changes sought and where appropriate this notice shall also contain the wording of any language changes sought. If notice is so given, the parties shall meet within thirty (30) days of the receipt of such notice to discuss the requested modifications or termination.
Section 2. If the parties are unable to reach agreement with reference to modifications or termination sought, then either party shall be free to pursue any legal remedy which they may have in attempting to enforce the position which they have taken. During the period of such negotiations, the contract shall remain in full force and effect.
SCHEDULE A

The Mercy Hospital has arranged for a plan of group insurance benefits covering you and your dependents for Hospital, Surgical and Medical Benefits. The following is a brief description of the program:

Public Employees Insurance Plan:
This Plan includes benefits under an in-network arrangement. If treatment is received from one of the in-network providers, the benefits provided by the Plan with respect to the benefits percentage and deductible are greater than the benefits provided if treatment is received by an out of network provider. Additionally, because in-network providers' contracts include lower fees and charges, out of pocket costs are less whenever co-insurance percentages are applied to a reduced fee. However, the covered employee still has the freedom to choose the doctor he or she wants to provide care.

Eligible Employees:
All employees working forty-eight (48) hours or more per pay period, having completed the orientation period.

Effective Date: February 1, 1993

A. All employees having completed the orientation period will be insured on that date provided they are actively at work.
B. New employees having completed less than the orientation period will become insured on the first day of the month following the completion or the orientation period, provided that they are actively at work.

Cost to Employee 2019:

Single Coverage: Hospital employee pays eighty ($80.00) per month for Plan A, sixty dollars ($60.00) for Plan C.

Dependent Coverage: Employee pays full cost, if he/she elects to participate in Family Coverage.
SCHEDULE B

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(no license required)

Start of 1st year: 80% of wage
2nd year: 90% of wage
3rd year: 100% of wage

New employees may be started at any step of pay progression, but in no event less than 80% of the full rate of pay.
IN WITNESS WHEREOF, the parties have executed this Agreement as follows:

For: Mercy Hospital

[Signature]
Administrator, (CEO)

[Signature]
Sonya Towle, Director of HR

[Signature]
Jacqueline Jensen, HR Generalist

Date: 9/17/19

For: International Union of Operating Engineers Local 70

[Signature]
David Monsour, Business Manager

[Signature]
Michael Dowdle, President

[Signature]
Linda Powers, Recording Secretary

Date: 7/9/2019

[Signature]
John Hane, Business Representative

[Signature]
Dean Hammit, Negotiations Team

JH/bdw/opeiu#12
Contracts/Mercy Moose
APPENDIX A
Mercy Hospital Paid Time Off Program

**Purpose and Introduction.** Time away from work is something we all enjoy and need for our personal and mental health. Our needs are varied based on age, family status, health and lifestyle. We recognize that you have personal needs and individual situations that require time off. You decide how to use your Paid Time Off (PTO) within broad guidelines.

Mercy Hospital provides a PTO program to recognize individual needs of employees for time away from work, rest, relaxation and personal needs. It is intended to give employees more control over compensated time off and reward employees for positive attendance.

PTO is a flexible plan that gives you both the opportunity as well as the responsibility to manage your own paid time off. Mercy’s PTO program combines the traditional vacation, personal holidays and sick leave program into two categories:

1) A PTO program for absences including: Vacation, child’s school functions, doctor and dental appointments, employee or family member illness, inclement weather in which the facility is not closed

   **Example:**
   Use PTO for: Vacation, personal holidays, school functions, doctor and dental appointments, the 1st and 2nd day of an illness/injury for the employee or family member.

2) An Extended Illness Bank (EIB) for illness/injury exceeding two consecutive working days (two consecutive shifts).

   **Example:** Employee is out with an illness for 3 days; or an employee is out because of an ill child for 3 days.

   PTO is utilized for the first 2 days; the 3rd day an employee can utilize EIB time.

   Each occurrence of sick requires the use of 2 days of PTO before utilizing EIB time.

**Holidays** recognized by Mercy Hospital for full-time employees are **not** included in the PTO program. Please see holiday policy.
**Scheduling**
You will schedule time off with your supervisor’s approval so that appropriate levels of staffing coverage may be obtained.

The PTO and EIB programs function as “time off banks” to cover expected and unexpected time away from work. As your own PTO manager, you’ll need to schedule ahead to the extent possible to insure you don’t run out of time prematurely or find yourself sick, without time remaining.

All PTO must be scheduled in advance with the department supervisor to insure adequate scheduling and continuity of work. Department Supervisor may deny PTO requests if adequate staffing and continuity of work is not available. When possible, PTO will be granted on a first come, first served basis or according to contract language.

**Accrual**
PTO accrues based on length of service and/or hours worked. PTO accrues on hours paid, not exceeding 80 hours in a pay period. Call hours do not accrue PTO.

**Eligibility**
PTO is available to full time and regular part-time employees (routinely working more than 48 hours per pay period).

Full time PTO is accrued on 2,080 hours. Part-time employees PTO will be accrued based on hours worked.

PTO may be taken upon completion of 90 days of employment for regularly scheduled hourly and salaried employees. (in the scenario of a sickness, PTO may be requested before this 90 day window).

Temporary and casual employees are not eligible and time will not be accrued under this program.

**Termination or Retirement**
Upon termination or retirement of employment, employees will be paid for all earned/available, but unused PTO. (The Extended Illness Bank is not a payable benefit)
Accrual
PTO and EIB time are accrued starting with your first date of employment.

PTO and EIB time are earned based on the total number of hours worked by the employee in the bi-weekly pay period and the employee's job classification. The number of hours earned will be proportionate to the actual number of hours worked during the pay period. PTO and EIB time are earned at the rate below based on your years of credited services and the number of hours worked by the employee within the pay period, not to exceed 80 hours in a pay period.

Paid Time Off Accruals
Any Call hours do not count toward PTO or EIB accrual

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>0 - 2.99</th>
<th>3.00 - 6.99</th>
<th>7 - 9.99</th>
<th>10.00 - 12.99</th>
<th>13.00 - 17.99</th>
<th>18+</th>
</tr>
</thead>
<tbody>
<tr>
<td>PTO Days**</td>
<td>15</td>
<td>21</td>
<td>26</td>
<td>27</td>
<td>29</td>
<td>33</td>
</tr>
<tr>
<td>Equal to: FT Hours**</td>
<td>120</td>
<td>168</td>
<td>208</td>
<td>216</td>
<td>232</td>
<td>264</td>
</tr>
</tbody>
</table>

* Carryover up to the maximum of 280 hours (35 days)
** Part-time employees prorated according to hours worked

Extended Illness Bank Accruals
Any Call hours do not count toward PTO or EIB accrual

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>0 - 2.99</th>
<th>3.00 - 6.99</th>
<th>7 - 9.99</th>
<th>10.00 - 12.99</th>
<th>13.00 - 17.99</th>
<th>18+</th>
</tr>
</thead>
<tbody>
<tr>
<td>EIB Days**</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Equal to: FT Hours**</td>
<td>72</td>
<td>72</td>
<td>72</td>
<td>72</td>
<td>72</td>
<td>72</td>
</tr>
</tbody>
</table>

* EIB Carryover up to the maximum of 560 hours (70 days)
** Part-time employees prorated according to hours worked

As employees reach key anniversary dates, the accrual rate will increase effective the start of the payroll period immediately following the effective date.
Using PTO

Accrued PTO may be used at the employee's discretion for any purpose. PTO may be taken as "hours" and therefore may be scheduled in segments of less than one day at a time.

PTO is to be used for; vacation, child's school functions, doctor and dental appointments, employee or family member illness, inclement weather in which the facility is not closed.

Employees are expected to request, in advance when possible, and to report use of PTO and EIB.

Department Supervisor may deny PTO requests if adequate staffing and continuity of work is not available.

PTO is used for the first two (2) days of an illness/Injury.

Using Extended Illness Bank (EIB)

The Extended Illness Bank (EIB), is designed to cover longer absences due to illness/injury. EIB may not be used until after an employee has missed the 2\textsuperscript{nd} consecutive day of work, (which employee uses PTO for time off). Following two consecutive days of absence due to illness/injury, the employee may use EIB hours. (Each occurrence of sick requires the use of 2 days of PTO before utilizing EIB time.)

If an employee misses three or more consecutive days due to illness, a physician’s authorization is required to return to work. You must also check with Human Resources to see if you qualify for Family Medical Leave (FMLA).

Family Medical Leave (FMLA)

An employee out on intermittent FMLA will need to utilize PTO.

An employee out on FMLA may access the EIB time immediately, without utilizing 2 days of PTO. (ie birth of child, surgery)

Dentist/Doctor Appointments – Must utilize PTO time.

Integration with other programs

Employees may use PTO or EIB to offset lost wages under disability and workers compensation programs.
Bereavement / Funeral leave, Jury Duty and Military Leave shall not apply and will be handled through those policies directly.

**Transfer of existing balances under Vacation, Personal Holidays and Sick**

All policies for Vacation, Personal Holidays and Sick will no longer be effective, they are replaced with the Paid Time Off Program.

**Vacation**: Employees with available vacation balances as of April 6, 2014, shall have the hourly values transferred in full to the PTO bank.

**Personal Holidays**: Employees with available personal holiday balances as of April 6, 2014, shall have the hourly values transferred in full to the PTO bank.

Employees with accrued personal holiday balances will have one-half (1/2) of the accrued hourly values transferred to the PTO bank. This is a one-time transfer.

**Example:**

<table>
<thead>
<tr>
<th></th>
<th>Available Personal Holiday hours</th>
<th>Accrued Personal Holiday hours</th>
<th>½ of Accrued hours are transferred to PTO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee A</td>
<td>15 hours (all 15 hours transfer to PTO)</td>
<td>10 accrued hours</td>
<td>10 hours/2 = 5 hours to PTO</td>
</tr>
<tr>
<td>Employee B</td>
<td>80 hours (all 80 hours transfer to PTO)</td>
<td>20 accrued hours</td>
<td>20 hours/2 = 10 hours to PTO</td>
</tr>
</tbody>
</table>

**Transfer of Sick Leave:**

Employees with available sick leave balances as of April 6th, 2014, shall have the hourly values transferred, up to the cap of 560 hours, to the EIB bank.

Per Mercy's past sick policy: Employees with 10 or more years of service will receive a percentage of their sick time when they leave employment based on years of service. (i.e. 10% for 10 years of service, 20% for 20 years of service)
One Time Only:
Mercy will give this benefit to the qualified employees now, per the following PTO transfer and payout.

The appropriate percentage of sick time owed to an employee will be calculated based on years of service. Once the amount of the benefit is determined, up to 80 hours will be transferred in full to the PTO bank.

If there is a remaining balance owed to the employee, the employee will be paid on a regular paycheck. (no special check)

Any remaining hourly balance (up to 560 hours) from sick will then be transferred to the Extended Illness Bank

**Example:**

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Available sick time x % based on years of service</th>
<th>Up to 80 hours transferred to PTO, remaining % if any, paid out to employee</th>
<th>Remaining balance to EIB</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>560 hours x 30% = 168 hours</td>
<td>168 – 80 hours to PTO = 88 hours paid out to employee</td>
<td>560 hours original balance - 168 hours transferred/paid = 392 hours to EIB</td>
</tr>
<tr>
<td>24</td>
<td>480 hours x 24% = 115 hours</td>
<td>115 – 80 hours to PTO = 35 hours paid out to employee</td>
<td>480 hours original balance - 115 hours transferred/paid = 365 hours to EIB</td>
</tr>
<tr>
<td>15</td>
<td>200 hours x 15% = 30 hours</td>
<td>30 hours to PTO</td>
<td>200 hours original balance - 30 hours transferred 170 hours to EIB</td>
</tr>
<tr>
<td>10</td>
<td>100 hours x 10% = 10 hours</td>
<td>10 hours to PTO</td>
<td>100 hours original balance - 10 hours transferred 90 hours to EIB</td>
</tr>
</tbody>
</table>

**Maximums**
PTO: Annually, on January 1, individual employee's PTO available balance will be adjusted to a maximum of 280 hours.

EIB: No more than 560 EIB hours can be accumulated in an EIB account at one time. Once 560 hours of EIB have been accrued, employees cease to accrue any further time until some of the accrued time has been used and reduces the balance to less than the prescribed amount.
Cash Out of PTO

Employees must have a balance of 80 hours in their PTO bank prior to making the cash out request. (and the balance cannot go below the 80 hours)
Quarterly, PTO hours can be cashed out at the employee’s existing rate of pay.
Requests for cash out must be completed, signed and submitted to payroll by the Friday before payday.
Request for PTO cash out must be for hours only, not dollars.
The PTO cash out will be included in the employee’s regular paycheck, and is not available through a separate check.
Maximum of 120 hours of PTO may be paid out in a calendar year.

Extended Illness Bank (EIB)

EIB will accrue a balance until the 560 hour maximum is attained. EIB will carryover but only to the 560 hour maximum. No further accruals will be made under the plan until some of the accrued time has been used and reduces the balance to less than the prescribed amount. No cash out of unused balances will be paid.

No employee will be paid any amounts in excess of the PTO and EIB maximums.

Donation of PTO and EIB

With the written approval of the Chief Executive Officer, Mercy employees having available PTO or EIB hours will be allowed to donate a portion of such available hours to fellow employees experiencing a major life threatening disease or condition suffered by the employee, spouse, children or stepchildren or either husband or wife. A major life threatening disease or condition shall include, but is not limited to the following: heart attack, stroke, organ transplant, cancer or life threatening illness or condition as defined by a physician’s diagnosis.
- An employee will be eligible to receive donated PTO/EIB hours only after all accumulated PTO and EIB leave in his/her account has been used by the employee.
- Donated hours will be subtracted from the donating employee’s PTO or EIB hours as per his/her request. The donating employee must have sufficient hours in his/her account to cover the donation.
- A written request to donate PTO / EIB hours must be made to the Human Resource Department on forms designated by Mercy Hospital. The original form will be filed in the donating employee’s personnel file. Employees donating PTO/EIB leave may donate a maximum of 50% of available PTO/EIB leave to another employee.

Tracking

Employees are to complete accurate time cards on a timely basis with full and complete information. PTO and EIB balances will be tracked by Human Resources and Payroll.
Account balances will be reflected on bi-weekly pay stubs. Hourly (non-exempt) employees are to track in hourly increments.

**Discrepancies**
In the event of a tracking error, employees are expected to bring the matter to the attention of Payroll within 30 days of the error.

SC/jcb/opeiu#12
PTO CASH OUT
REQUEST FORM

I, the undersigned Mercy Hospital employee, wish to request a PTO Cash Out of _____ hours as per policy. (maximum of 120 hours per calendar year)

Name (please print)________________________________________

Signature ________________________________________________

Date______________________________________________________

Received by Supervisor and approved for number of hours requested. (Employee cannot go below 80 hours in PTO bank)

__________________________________________  _______________________
Signature                                      Date

Received by appropriate Administrative Team member and approved.

__________________________________________  _______________________
Signature                                      Date

Received by Human Resources and approved

__________________________________________  _______________________
Signature                                      Date

(forward to Payroll after final approval)

__________________________________________  _______________________
Payroll Signature                           Date
DONATION OF PTO/EIB (EXTENDED ILLNESS BANK) HOURS REQUEST FORM

I, the undersigned Mercy Hospital employee, wish to donate ______ hours of my ___ PTO hours ___ Extended Illness Bank hours (check one) to the following Mercy employee as per policy. I understand that this amount will be deducted from my account and added to this employee’s account per my direction.

Designated employee______________________________

Name (please print)______________________________

Signature ______________________________________

(forward to Human Resources/Payroll)

Received in Human Resources and approved for number of hours available

________ (initial and date)________________________
LETTER OF AGREEMENT

Mercy Hospital of Moose Lake, Minnesota, hereinafter referred to as the Employer, and the International Union of Operating Engineers, Local 70, AFL-CIO, hereinafter referred to as the Union, agree to the following:

The Employer agrees to pay up to one hour of missed wages for negotiations.

For: Mercy Hospital of Moose Lake

For: International Union of Operating Engineers, Local No. 70

[Signatures]

Dave Monsour, Business Manager

John Hane, Business Representative

Dean Hammit, Negotiations Team

Date: 9/17/19

Date: 7/9/2019

JH/bdw/opeiu12