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ADMINISTRATIVE
HEARINGS

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

FOR THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

In the Matter of the PERA Salary
Determinations Affecting Retired and Active
Employees of the City of Duluth,

AFFIDAVIT OF JON K. MURPHY

OAH Docket No. 4-3600-2080902

Allen Johnson, et al., Petitioners.

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

JON K. MURPHY, being first duly sworn, deposes and states:

1. I am the attorney representing the Public Employees Retirement Association (“PERA”) in this matter.
2. This Affidavit is submitted in support of PERA’s Motion for Summary Judgment.
3. PERA’s Determinations regarding the status of what has been characterized as “employer-paid deferred compensation” and “supplemental insurance” payments have been based upon the specific clauses set forth in the collective bargaining agreements between the City of Duluth and its active and retired employees. Complete copies of the bargaining agreements are available on the City of Duluth’s web site. These are the bargaining agreements that PERA looked at to determine the status of the compensation paid to Duluth’s retired and active employees which is at issue in this proceeding. The relevant articles of those agreements are set forth as attachments to this affidavit as follows:

1. CBAs Agreement between the City of Duluth and Local 101 International Association of Fire Fighters:
 - a. 2007-2009 Agreement
 - b. 2004-2006 Agreement
 - c. 2003 Agreement
 - d. 2000-2002 Agreement
 - e. 1995-1996 Agreement

2. CBAs Agreement between the City of Duluth and Local 66 of AFSCME, Council 5:
 - a. 2007-2009 Agreement
 - b. 2004-2006 Agreement
 - c. 2000-2002 Agreement
 - d. 1999 Agreement
 - e. 1997-1998 Agreement
 - f. 1995-1996 Agreement

3. Agreement between the City of Duluth and Duluth Police Union, Local 807:
 - a. 2007-2009 Agreement
 - b. 2004-2006 Agreement
 - c. 2003 Agreement
 - d. 2000-2002 Agreement
 - e. 1999 Agreement
 - f. 1997-1998 Agreement
 - g. 1995-1996 Agreement

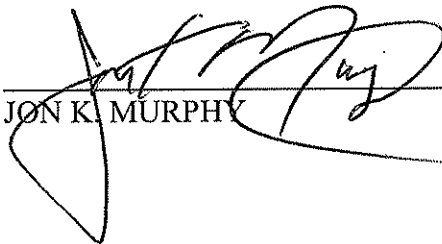
4. Agreement between the City of Duluth and Confidential Employees:
 - a. 2007-2009 Agreement
 - b. 2004-2006 Agreement
 - c. 2003 Agreement
 - d. 2000-2002 Agreement
 - e. 1999 Agreement
 - f. 1997-1998 Agreement
 - g. 1995-1996 Agreement

5. Agreement between the City of Duluth and City of Duluth Supervisory Association:
 - a. 2007-2009 Agreement
 - b. 2004-2006 Agreement
 - c. 2003 Agreement
 - d. 2000-2002 Agreement
 - e. 1997-1999 Agreement
 - f. 1995-1996 Agreement

4. Attached as Exhibits 6-8 are copies of Minn. Stat. §§ 353.01, subd 10 (1992); 353.01, subd. 10 (1993 Supp.) and 353.01, subd. 10 (1994) which show the statutory changes made to PERA's definition of salary in 1993 and 1994. PERA's current definition of salary is attached as Exhibit 9. Subdivision (b)(5), which excludes from salary the amount of compensation that exceeds the federal and state limitations was added in 2004 by Laws 2004, ch. 267, art 2, § 3.

5. Attached as Exhibit 9 is a copy of the Minnesota State Retirement Systems' definition of salary. Minn. Stat. § 352.01, subd. 13 (2008). The exclusion of "employer contributions to a deferred compensation or tax-sheltered annuity program" from the definition of salary was added in 1995. See, Laws 1995, ch. 262, art. 1, sec. 3.

Further Affiant sayeth not.

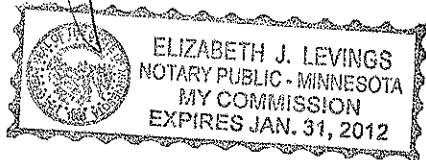


JON K. MURPHY

Subscribed and sworn to before me on
this 29th day of December, 2009



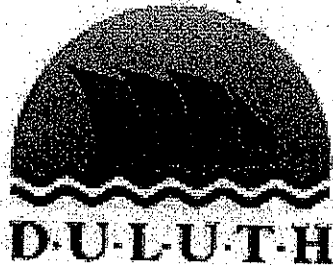
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AG: #2557064-v1



AGREEMENT
Between the
CITY OF DULUTH
and
LOCAL 101 INTERNATIONAL
ASSOCIATION OF FIRE FIGHTERS
2007-2009



- 15.3 Employees hired after January 1, 1980 shall attend on-duty emergency medical technician training sessions as the employer directs; and, in addition, those who become or have become registered Emergency Medical Technicians shall maintain as current that certification and registration. The employer shall provide reasonable training opportunities necessary to maintain the registration, and shall pay the registration fee.
- 15.4 Each employee shall receive monthly two and one-half percent (2½%) of his or her basic monthly pay as pay for E.M.T. training.

ARTICLE 16 - EDUCATIONAL CREDIT ALLOWANCE

- 16.1 In addition to the monthly pay and the additional longevity and public service duty allowances described herein, employees shall receive One Dollar (\$1.00) per month per credit for eligible courses successfully completed, and approved by the National Board of College Accreditation, if the employees were eligible to receive this pay on July 1, 1988.
- 16.2 The employer will reimburse to the employee the cost of tuition, credit transfer fees, and required books used in the successful completion, and attendance at, the Fire Technology and Administration program offered at Lake Superior College, annual Arrowhead EMS Conference, and the annual Duluth State Fire School. The employee shall, upon request, furnish proof of actual cost incurred, successful completion, and attendance.
- 16.3 The employer will reimburse to the employees a maximum of \$30.00, each month, of the actual cost for the use of facilities involved in the employee's participation in an approved physical fitness training program. The employee shall be responsible for furnishing, upon demand, proof of actual costs incurred and training activities engaged in.

ARTICLE 17 - DEFERRED COMPENSATION

- 17.1 The employer shall allow an employee to participate in any deferred compensation plan of the employee's choice which meets the following criteria:
- (a) It has been approved by the deferred compensation commission.
 - (b) It qualifies under the laws and regulations of the United States, State of Minnesota, and Internal Revenue Service.
 - (c) The employer can accomplish any record keeping, data processing, accounting, or administration of the plan by making a reasonable effort. The employer shall not do any act to change, alter, amend, or terminate any employee's deferred compensation plan without first giving at least 60 days written notice of its intention, and completing the processing of any grievance

brought concerning the proposed action, unless law, ruling, or order of the Internal Revenue Service requires it.

For each employee who has been continuously employed by the Employer for sufficient time as to be eligible for the Employers medical benefit plan, the Employer shall contribute two hundred twenty-nine dollars (\$229) each month for either contribution to a qualifying and approved deferred compensation plan, and/or for contribution to family-dependant hospital medical premium, whichever is designated by the employee during the open window for insurance selection, or at the time of a life event.

ARTICLE 18 - HOSPITAL-MEDICAL INSURANCE

18.1 Effective the first of the month following the special two week open enrollment period in Article 18.1(b), the Employer will make available to employees comprehensive hospital-medical benefit Plan 3A only.

- (a) The Employer agrees to pay for the employees without claimed dependents 100% of the monthly premium for single employee hospital-medical benefit plan 3A.
- (b) The employer agrees to hold a special two week open enrollment period for insurance selection within 15 days following City Council approval, by resolution duly passed, of this Agreement. For calendar year 2007, due to federal regulations, the first of the month following the end of the special open enrollment period, the Employer will deposit seventy-five dollars (\$75) per month into a qualifying and approved deferred compensation plan, as designated by the employee, for each employee without claimed dependents Effective January 1, 2008, the employee without claimed dependents shall elect to have the \$75 per month deposited into a flexible benefits spending account and/or a qualifying and approved deferred compensation plan. Thereafter, the employee may change this designation during the annual open enrollment period for insurance selection, or at the time of a life event.
- (c) The Employer agrees to deposit into the Group Health Fund at the end of each fiscal year, any unused balance in each employees flexible benefits spending account.
- (d) If any bargaining unit receives a higher employer contribution, the higher employer contribution will be applied to the Firefighters agreement.
- (e) Effective the first of the month following the special two week open enrollment period in Article 18.1(b), the Employer agrees to pay 80% of the monthly premium for family hospital-medical benefit Plan 3A.

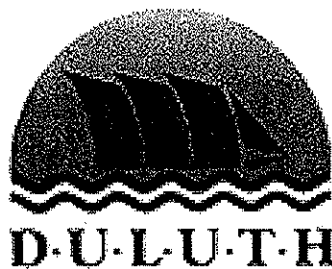
The Employer shall deduct from each eligible and enrolled employee's salary or wages the amount by which the monthly premium cost of the



AGREEMENT
Between the

CITY OF DULUTH
and
LOCAL 101 INTERNATIONAL
ASSOCIATION OF FIRE FIGHTERS

2004-2006



employee shall be responsible for furnishing, upon demand, proof of actual costs incurred and training activities engaged in.

ARTICLE 17 - DEFERRED COMPENSATION

16 1 The employer shall allow an employee to participate in any deferred compensation plan of the employee's choice which meets the following criteria:

- (a) It has been approved by the deferred compensation commission.
- (b) It qualifies under the laws and regulations of the United States, State of Minnesota, and Internal Revenue Service.
- (c) The employer can accomplish any record keeping, data processing, accounting, or administration of the plan by making a reasonable effort.

The employer shall not do any act to change, alter, amend, or terminate any employee's deferred compensation plan without first giving at least 60 days written notice of its intention, and completing the processing of any grievance brought concerning the proposed action, unless law, ruling, or order of the Internal Revenue Service requires it.

For each employee who has been continuously employed by the Employer for sufficient time as to be eligible for the Employers medical benefit plan, the Employer shall contribute two hundred twenty-four dollars (\$224) each month, and an additional five dollars (\$5) per month for each employee enrolled in the Comprehensive Plan 3 hospital-medical insurance, for either contribution to a qualifying and approved deferred compensation plan, and/or for contribution to family-dependant hospital medical premium, whichever is designated by the employee during the open window for insurance selection, or at the time of a life event.

ARTICLE 18 - HOSPITAL-MEDICAL INSURANCE

18.1 During the period of this Agreement, the Employer will provide employees hospital-medical insurance coverage containing the same level of benefits as provided under the three hospital-medical insurance plans in effect on 1-1-93. Effective the first of the month following the approval of this agreement, the Employer will also make available to employees the hospital-medical benefit plan offered to employees of the Basic collective bargaining unit of the City, known as Plan 4, the Aware Network Plan.

(a) The Employer agrees to pay for the employees without claimed dependents the entire cost of the single employee hospital-medical benefit plan selected by the employee.

(b) The employer agrees to hold a two week open enrollment period within 15 days following the approval of this agreement. Effective the first of the month following the end of the open enrollment period, the Employer will deposit fifty dollars (\$50) per month into a flexible benefits spending account for each employee without claimed dependents enrolled in Comprehensive Plan 3. At such time the Employer becomes eligible to offer employees an approved medical savings type account, the employee may elect to have the fifty dollars (\$50) per month deposited into either a flexible benefits spending account or a medical savings account. The employee may change this designation during the annual open enrollment period for insurance selection, or at the time of a life event.

(c) The Employer agrees to deposit into the Group Health Fund at the end of each fiscal year, any unused balance in each employees flexible benefits spending account.

(d) If any bargaining unit receives a higher employer contribution, the higher employer contribution will be applied to the Firefighters agreement.

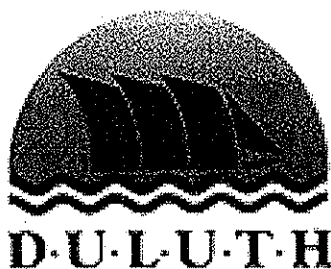
(e) Effective the first of the month following the two week open enrollment period in Article 18.1(b), the Employer agrees to pay 35% of the monthly premium for family hospital-medical benefit Plans 1,2, and 4. The Employer agrees to pay 80% of the



AGREEMENT
Between the

CITY OF DULUTH
and
LOCAL 101 INTERNATIONAL
ASSOCIATION OFFIRE FIGHTERS.

2003



current that certification and registration. The employer shall provide reasonable training opportunities necessary to maintain the registration, and shall pay the registration fee.

15.4 Each employee shall receive monthly two and one-half percent (2½%) of his or her basic monthly pay as pay for E.M.T. training.

ARTICLE 16 - EDUCATIONAL CREDIT ALLOWANCE

16.1 In addition to the monthly pay and the additional longevity and public service duty allowances described herein, employees shall receive One Dollar (\$1.00) per month per credit for eligible courses successfully completed, and approved by the National Board of College Accreditation, if the employees were eligible to receive this pay on July 1, 1988.

16.2 The employer will reimburse to the employee the cost of tuition, credit transfer fees, and required books used in the successful completion, and attendance at, the Fire Technology and Administration program offered at Duluth Technical Institute. The employee shall, upon request, furnish proof of actual cost incurred, successful completion, and attendance.

16.3 The employer will reimburse to the employees a maximum of \$15.00, each month, of the actual cost for the use of facilities involved in the employee's participation in an approved physical fitness training program. The employee shall be responsible for furnishing, upon demand, proof of actual costs incurred and training activities engaged in.

ARTICLE 17 - HOSPITAL-MEDICAL INSURANCE

17.1 During the period of this Agreement, the Employer will provide employees hospital-medical insurance coverage containing the same level of benefits as provided under the three hospital-medical insurance plans in effect on 1-1-93.

(a) The Employer agrees to pay for the employees without claimed dependents the cost of the single employee approved fee-for-service or H.M.P. or comprehensive plan selected by the employee.

(b) The Employer agrees to pay the entire premium as the cost of medical insurance for employees eligible for and enrolled in an approved family hospital-medical insurance plan not to exceed the amounts contained in the following chart:

YEAR	FEE FOR SERVICE (PLAN 1)	H.M.P. PLAN (PLAN 2)	COMPREHENSIVE PLAN (PLAN 3)
2000	\$500.00	\$540.00	\$560.00
2001	\$500.00	\$580.00	\$610.00
2002	\$500.00	\$620.00	\$660.00

The Employer shall deduct from each eligible and enrolled employee's salary or wages the amount by which the monthly premium cost of that employee's selected hospital-medical plan family-dependent coverage exceeds the limit on the Employer's contribution that is stated in this paragraph.

(c) Premiums shall be established by November 1 of the prior year, to be in effect January 1 of each year for twelve (12) consecutive calendar months.

(d) Beginning January 1, 2000, each employee who has been continuously employed by the City for at least 90 days may, during the open window for insurance selection or at the time of a life event, designate \$150 of the monthly employer contribution available for the employee's family-dependent medical coverage premium to be used as a contribution to the monthly cost of a qualifying and approved deferred compensation plan. This contribution shall be \$175 in 2001 and \$200 in 2002. An employee without family-dependent coverage may, during the open window period for insurance selection or at the time of a life event, designate a qualifying and approved deferred compensation plan for him or her to which the employer shall, each month, contribute the amounts indicated in the following table:

YEAR	FEE FOR SERVICE (PLAN 1)	H.M.P. PLAN (PLAN 2)	COMPREHENSIVE PLAN (PLAN 3)
2000	\$150.00	\$150.00	\$165.00
2001	\$175.00	\$175.00	\$200.00

AGREEMENT
between the
CITY OF DULUTH
and
LOCAL 101
INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
2000 - 2002

buildings in order to protect the safety of the City of Duluth. Such additional amount of money shall be equal to four and one-half percent (4½%) of each employee's basic monthly pay.

15.2 Employees hired before January 1, 1980 shall attend on-duty Emergency Medical Technician training sessions as the employer directs.

15.3 Employees hired after January 1, 1980 shall attend on-duty emergency medical technician training sessions as the employer directs; and, in addition, those who become or have become registered Emergency Medical Technicians shall maintain as current that certification and registration. The employer shall provide reasonable training opportunities necessary to maintain the registration, and shall pay the registration fee.

15.4 Each employee shall receive monthly two and one-half percent (2½%) of his or her basic monthly pay as pay for E.M.T. training.

ARTICLE 16 - EDUCATIONAL CREDIT ALLOWANCE

16.1 In addition to the monthly pay and the additional longevity and public service duty allowances described herein, employees shall receive One Dollar (\$1.00) per month per credit for eligible courses successfully completed, and approved by the National Board of College Accreditation, if the employees were eligible to receive this pay on July 1, 1988.

16.2 The employer will reimburse to the employee the cost of tuition, credit transfer fees, and required books used in the successful completion, and attendance at, the Fire Technology and Administration program offered at Duluth Technical Institute. The employee shall, upon request, furnish proof of actual cost incurred, successful completion, and attendance.

16.3 The employer will reimburse to the employees a maximum of \$15.00, each month, of the actual cost for the use of facilities involved in the employee's participation in an approved physical fitness training program. The employee shall be responsible for furnishing, upon demand, proof of actual costs incurred and training activities engaged in.

ARTICLE 17 - HOSPITAL-MEDICAL INSURANCE

17.1 During the period of this Agreement, the Employer will provide employees hospital-medical insurance coverage containing the same level of benefits as provided under the three hospital-medical insurance plans in effect on 1-1-93.

(a) The Employer agrees to pay for the employees without claimed dependents the cost of the single employee approved fee-for-service or H.M.P. or comprehensive plan selected by the employee.

(b) The Employer agrees to pay the entire premium as the cost of medical insurance for employees eligible for and enrolled in an approved family hospital-medical insurance plan not to exceed the amounts contained in the following chart:

<u>YEAR</u>	<u>FEE FOR SERVICE (PLAN 1)</u>	<u>H.M.P. PLAN (PLAN 2)</u>	<u>COMPREHENSIVE PLAN (PLAN 3)</u>
2000	\$500.00	\$540.00	\$560.00
2001	\$500.00	\$580.00	\$610.00
2002	\$500.00	\$620.00	\$660.00

The Employer shall deduct from each eligible and enrolled employee's salary or wages the amount by which the monthly premium cost of that employee's selected hospital-medical plan family-dependent coverage exceeds the limit on the Employer's contribution that is stated in this paragraph.

(c) Premiums shall be established by November 1 of the prior year, to be in effect January 1 of each year for twelve (12) consecutive calendar months.

(d) Beginning January 1, 2000, each employee who has been continuously employed by the City for at least 90 days may, during the open window for insurance selection or at the time of a life event, designate \$150 of the monthly employer contribution available for the employee's family-dependent medical coverage premium to be used as a contribution to the monthly cost of a qualifying and approved deferred compensation plan. This contribution shall be \$175 in 2001 and \$200 in 2002. An employee without family-dependent coverage may, during the open window period for insurance selection or at the time of a life event, designate a qualifying and approved deferred compensation plan for him or her to which the employer shall, each month, contribute the amounts indicated in the following table:

<u>YEAR</u>	<u>FEE FOR SERVICE (PLAN 1)</u>	<u>H.M.P. PLAN (PLAN 2)</u>	<u>COMPREHENSIVE PLAN (PLAN 3)</u>
2000	\$150.00	\$150.00	\$165.00
2001	\$175.00	\$175.00	\$200.00
2002	\$200.00	\$200.00	\$235.00

(e) If any bargaining unit receives a higher insurance cap, the higher cap will be applied to the Firefighters agreement.

17.2 Hospital-medical insurance coverage shall become effective ninety (90) calendar days from date of hire.

17.3 While an employee is entitled to receive long-term disability income protection pursuant to Article 25 of this Agreement, the Employer shall maintain such hospital-medical insurance coverage for such employee as it does for active employees. Beginning October 1, 1995,

AGREEMENT
between the
CITY OF DULUTH
and
LOCAL 101
INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
1995-1996

15.1 In addition to the monthly pay prescribed in this Agreement, each employee shall be paid an additional amount of money each month as a public service duty allowance, said allowance to compensate, in part, for off-duty employees having a continuing duty to report and aid in the control of fires, as directed by the Chief, and for inspection of residential, commercial and all public buildings in order to protect the safety of the City of Duluth. Such additional amount of money shall be equal to four and one-half percent (4½%) of each employee's basic monthly pay.

15.2 Employees hired before January 1, 1980 shall attend on-duty Emergency Medical Technician training sessions as the employer directs.

15.3 Employees hired after January 1, 1980 shall attend on-duty emergency medical technician training sessions as the employer directs; and, in addition, those who become or have become registered Emergency Medical Technicians shall maintain as current that certification and registration. The employer shall provide reasonable training opportunities necessary to maintain the registration, and shall pay the registration fee.

15.4 Each employee shall receive monthly two percent (2%) of his or her basic monthly pay as pay for E.M.T. training.

ARTICLE 16 - EDUCATIONAL CREDIT ALLOWANCE

16.1 In addition to the monthly pay and the additional longevity and public service duty allowances described herein, employees shall receive One Dollar (\$1.00) per month per credit for eligible courses successfully completed, and approved by the National Board of College Accreditation, if the employees were eligible to receive this pay on July 1, 1988.

16.2 The employer will reimburse to the employee the cost of tuition, credit transfer fees, and required books used in the successful completion, and attendance at, the Fire Technology and Administration program offered at Duluth Technical Institute. The employee shall, upon request, furnish proof of actual cost incurred, successful completion, and attendance.

16.3 The employer will reimburse to the employees a maximum of \$15.00, each month, of the actual cost for the use of facilities involved in the employee's participation in an approved physical fitness training program. The employee shall be responsible for furnishing, upon demand, proof of actual costs incurred and training activities engaged in.

ARTICLE 17 - HOSPITAL-MEDICAL INSURANCE

17.1 During the period of this Agreement, the Employer will provide employees hospital-medical insurance coverage containing the same level of benefits as provided under the three hospital-medical insurance plans in effect on 1-1-93.

(a) The Employer agrees to pay for the employees without claimed dependents the cost of the single employee approved fee-for-service or HMP or comprehensive plan selected by the employee.

(b) The employer agrees to pay the entire premium, not to exceed \$325 per month during 1995 and \$350 per month thereafter, as the cost of medical insurance for employees eligible for and enrolled in an approved family hospital-medical insurance plan. The Employer shall deduct from each eligible and enrolled employee's salary or wages the amount by which the monthly premium cost of that employee's selected hospital-medical plan family-dependent coverage exceeds the limit on the Employer's contribution that is stated in this paragraph.

hereunder.

b. The City will provide any eligible retired employee without claimed dependents the approved fee-for-service coverage provided active employees, without cost to the retiree.

c. Effective December 31, 1987, for any such eligible retired employee with or without claimed dependents, the City will provide, without cost to the retiree, the approved fee-for-service coverage provided active employees; however, the approved fee-for-service coverage shall be subject to an annual deductible amount of \$650. If no covered plan participant receives benefits during a calendar year, any portion of the deductible amount which is accrued for services rendered in the last three calendar months of that calendar year shall be applied toward the deductible amount for the following calendar year.

d. For each year (26 equal pay periods) that a fee-for-service covered employee has used five or less sick days (excluding sick days resulting from on-the-job injuries, maternity leave, or funeral leave), the employee will receive credit for one calendar year's use of the deductible established in paragraph c above, that applies to the retired employee, but not to dependents, upon retirement. There shall be a continuous year for year exchange of controlled sick leave use for credit toward retired employees insurance deductible, beginning with the first day of the retiree's enrollment for retiree medical insurance benefits. This paragraph will be retroactive for current employees to date of hire and employees shall receive year for year credit for years of service through 1979. Enrollment occurs when retiree insurance coverage goes into effect.

20.2. Such coverage shall be for the life of the retiree, but if the retiree dies before his or her spouse, such coverage shall be continued for such spouse until he or she dies or remarries, but any such coverage for such surviving spouse shall not include coverage for any dependent of such surviving spouse.

20.3. If any such covered retiree or spouse becomes the beneficiary of any hospital-medical coverage provided by another employer in connection with such retiree's or spouse's employment by or retirement from employment by another employer, the City's obligation to provide the coverage indicated above shall be only to the extent that the City's coverage exceeds such other coverage.

ARTICLE 21 - HOSPITAL - MEDICAL INSURANCE - DISABLED EMPLOYEES

21.1. The Employer agrees that it shall be deemed an "employer" as defined in Subdivision 5 of Section 62A.147 of Minnesota Statutes 1976 so that Sections 62A.147 and 62A.148 of said statutes will be applicable to the Employer. This paragraph shall be deemed to pertain only to said sections as they existed in Minnesota Statutes 1976; it shall not be deemed to incorporate any amendments that may subsequently be made by the legislature. Notwithstanding the fore going language in this paragraph, the Employer shall not be deemed an "employer" as defined in said Subdivision 5 with regard to any employee or former employee who has attained the age of 65 years. The provisions of this article shall be deemed applicable to former employees of the Employer.

ARTICLE 22 - DENTAL INSURANCE

22.1. The Employer agrees to make the same dental care coverage available to all eligible employees as it currently makes available for employees of the Basic, Confidential and Supervisory

2007 - 2008 - 2009

AGREEMENT

BETWEEN THE

CITY OF DULUTH

AND

LOCAL 66 OF A.F.S.C.M.E., COUNCIL 5

FOR

BASIC UNIT EMPLOYEES

12	79.00%	32	94.00%
13	79.75%	33	94.75%
14	80.50%	34	95.50%
15	81.25%	35	96.25%
16	82.00%	36	97.00%
17	82.75%	37	97.75%
18	83.50%	38	98.50%
19	84.25%	39	99.25%
20	85.00%	40 (completion)	100.00%

Administration of the J.A.T.C. Financial Analyst Program pay provisions shall be as follows:

1. Upon entry into this program, an employee's compensation shall be established at the higher of the following amounts:

a. the percentage rate in the pay plan which corresponds to the amount of advanced standing approved for that employee by the J.A.T.C.;

or, for current employees only,

b. the percentage rate in the pay plan which is next over the employee's current rate of pay.

2. An employee's participation in and progress through this program shall be in accordance with the procedures of the J.A.T.C.

8.8 For each active employee beginning the first day of the month following the date of hire, the Employer shall contribute two hundred twenty-nine dollars (\$229.00) per month effective upon City Council approval of this contract, by resolution duly passed, for either contribution to a qualifying and approved deferred compensation plan, or for contribution to a city-sponsored family dependant hospital-medical plan premium, whichever is designated by the employee during the open window for insurance selection or at the time of a life event.

8.9. The entrance and completion rates of pay for each such program shall be determined by the Labor-Management Committee, but shall be within the minimum and maximum monthly rates of pay specified for the position by Appendixes 1, 2, 3 and 4. The percentages indicated in the above formula shall mean percentages of the completion rate of pay so determined. The J.A.T.C. shall monitor changes to Appendixes 1, 2, 3 and 4 so as to insure that appropriate entrance and completion rate adjustments are made in connection with related changes made to Appendixes 1, 2, 3 and 4. When an employee enters a J.A.T.C. program, the employee shall not receive pay less than what the employee was being paid in the employee's previous classification. An employee who voluntarily demotes or is demoted to a J.A.T.C. Program shall receive not less than two steps below 100% of the top rate of the apprentice classification. The J.A.T.C. Committee shall have the authority to determine which step the demoted employee will receive.

Maintenance Worker, Water and Gas Maintenance Journeyperson, Regulator Mechanic, W & G Equipment Operator, Lift Station Operator, W & G Pipeline Welder, Water Quality Specialist, or Warehouse Assistant will be allowed to hold such classification for the remainder of their employment with the City; all the way to and including their retirement if the employee so chooses. The City will maintain these classifications and agrees not to eliminate them so long as there are employees who wish to remain in these classifications.

(b) The Layoff Series Agreement between the City of Duluth and AFSCME Local 66 will be revised to allow Collection System Maintenance Workers and W & G Maintenance Journeypersons to bump into the Utility Operator position, according to date of hire, in the event of a layoff.

(c) Seniority for those employees holding the title of Utility Operator will be determined based upon each employee's date of hire with the City, with the exception of employees who promote, demote, or are reclassified to Utility Operator. Seniority for employees who promote, demote, or are reclassified to Utility Operator will be based on the date of their classification to Utility Operator. Employees will maintain this seniority as long as they hold such classification.

ARTICLE 21 - HOSPITAL-MEDICAL INSURANCE

21.1. Effective the first of the month following the special two week open enrollment period in Article 21.1(b), the Employer will make available to eligible employees comprehensive hospital-medical benefit Plan 3A only.

(a) The Employer agrees to pay for the employees without claimed dependents the entire cost of the monthly premium for single employee hospital-medical benefit plan 3A.

(b) The employer agrees to hold a special two week open enrollment period for insurance selection within 15 days following City Council approval, by resolution duly passed, of this agreement. Effective the first of the month following the end of the special open enrollment period, the Employer will deposit seventy-five dollars (\$75) per month into a flexible benefits spending account and/or a qualified and approved deferred compensation plan as designated by the employee for each employee without claimed dependents. The employee may change this designation during the annual open enrollment period for insurance selection, or at the time of a qualifying life event.

(c) The employer agrees to deposit into the Group Health Fund at the end of each fiscal year, any unused balance in each employees flexible benefits spending account.

(d) Effective the first of the month following the special two week open enrollment period in Article 21.1(b), the Employer agrees to pay 80% of the monthly premium for family hospital-medical benefit Plan 3A.

The Employer shall deduct from each eligible and enrolled employee's salary or wages the amount by which the monthly premium cost of the employee's hospital-medical plan family-dependent coverage exceeds the Employer's contribution that is stated in this paragraph.

2004 - 2005 - 2006

AGREEMENT
BETWEEN THE
CITY OF DULUTH
AND
LOCAL 66 OF A.F.S.C.M.E.
FOR
BASIC UNIT EMPLOYEES

or, for current employees only,

b. the percentage rate in the pay plan which is next over the employee's current rate of pay.

2. An employee's participation in and progress through this program shall be in accordance with the procedures of the J.A.T.C.

8.8 For each employee beginning the first day of the month following the date of hire, the Employer shall contribute two hundred twenty-four dollars (\$224.00) per month beginning January 1, 2004, and an additional five dollars (\$5.00) per month for each employee enrolled in plan 3 single coverage hospital-medical insurance, for either contribution to a qualifying and approved deferred compensation plan, or for contribution to a city-sponsored family dependant hospital-medical plan premium, whichever is designated by the employee during the open window for insurance selection or at the time of a life event.

8.9. The entrance and completion rates of pay for each such program shall be determined by the Labor-Management Committee, but shall be within the minimum and maximum monthly rates of pay specified for the position by Appendixes 1, 2, 3 and 4. The percentages indicated in the above formula shall mean percentages of the completion rate of pay so determined. The J.A.T.C. shall monitor changes to Appendixes 1, 2, 3 and 4 so as to insure that appropriate entrance and completion rate adjustments are made in connection with related changes made to Appendixes 1, 2, 3 and 4. When an employee enters a J.A.T.C. program, the employee shall not receive pay less than what the employee was being paid in the employee's previous classification. An employee who voluntarily demotes or is demoted to a J.A.T.C. Program shall receive not less than two steps below 100% of the top rate of the apprentice classification. The J.A.T.C. Committee shall have the authority to determine which step the demoted employee will receive.

8.10. Compensation increases authorized by the above formula shall be implemented only if the employee has served the time indicated and has satisfactorily completed the appropriate program training, which shall be verified by the J.A.T.C.

ARTICLE 9 - LONGEVITY AWARD

9.1. In addition to the monthly pay prescribed herein, any employee who has been continuously employed by the City for a number of qualified pay periods, the total of which is not less than eight (8) years, shall receive from and after the beginning of the next pay period following completion of his or her eighth year of service, a monthly longevity award equal to four percent (4%) of his or her basic monthly pay and any employee who has been continuously employed by the City for a number of qualified pay periods, the total of which is not less than sixteen (16) years, shall receive from and after the beginning of the next pay period an additional monthly longevity award equal to four percent (4%) of his or her basic monthly pay. Such longevity award shall be computed to the nearest dollar per month. The term "qualified pay period" shall mean any regular minimum period of time at the end of which full-time employees of the City are regularly paid and during which the employee was employed and/or paid by the City for not less than three-fourths (3/4) of the normal working hours of the position he or she then occupied.

9.2. In cases where employees have completed a sufficient number of years of service in the Police or Fire Departments of the City to qualify for police or fire pension benefits, the period

d. Once this agreement is executed, it is agreed that the seniority within the Utility Operator classification will be determined based upon each employee's date of hire with the city with the exception of those employees who either promoted or demoted into Utility Operator - those employees will have their seniority based on when they were reclassified in Utility Operator. Once the window closes the seniority for those employees holding the classification of Utility Operator at that point in time will continue to be determined based upon each employee's date of hire with the city, with the exception of employees who either promoted or demoted into Utility Operator. These employees will be allowed to maintain this seniority (based on date of hire) as long as they hold such classification. Once the window closes any employee who voluntarily reclassifies to Utility Operator subsequent to the closing of the window will have their seniority as Utility Operator determined according to the date of their classification to Utility Operator, not their hire date.

ARTICLE 21 - HOSPITAL-MEDICAL INSURANCE

21.1. During the period of this Agreement, the Employer will make available to employees hospital-medical benefit plan coverage containing the same level of benefits as provided under the four hospital-medical benefit plans in effect on 7-1-2004.

(a) The Employer agrees to pay for the employees without claimed dependents the entire cost of the single employee hospital-medical benefit plan selected by the employee.

(b) The employer agrees to hold a two week open enrollment period within 15 days following the approval of this agreement. Effective the first of the month following the end of the open enrollment period, the Employer will deposit fifty dollars (\$50) per month into a flexible benefits spending account for each employee without claimed dependents enrolled in Comprehensive Plan 3. At such time as the Employer becomes eligible to offer employees an approved medical savings type account, the employee may elect to have the fifty dollars (\$50) per month deposited into either a flexible benefits spending account or a medical savings account. The employee may change this designation during the annual open enrollment period for insurance selection, or at the time of a life event.

(c) The employer agrees to deposit into the Group Health Fund at the end of each fiscal year, any unused balance in each employee's flexible benefits spending account.

(d) Effective the first of the month following the two week open enrollment period in Article 21.1.b., the Employer agrees to pay 35% of the monthly premium for family hospital-medical benefit Plans 1, 2, and 4. The Employer agrees to pay 80% of the monthly premium for family hospital-medical benefit Plan 3.

The Employer shall deduct from each eligible and enrolled employee's salary or wages the amount by which the monthly premium cost of that employee's selected hospital-medical plan family-dependent coverage exceeds the Employer's contribution that is stated in this paragraph.

(e) Premiums shall be established by November 1 of the prior year, to be in effect January 1 of each year for twelve (12) consecutive calendar months.

21.2. Hospital-medical benefit plan coverage shall become effective the first day of the month following the date of hire.

2000 - 2001 - 2002
AGREEMENT
BETWEEN THE
CITY OF DULUTH
AND
LOCAL 66 OF A.F.S.C.M.E.
FOR
BASIC UNIT EMPLOYEES

18	83.50%	38	98.50%
19	84.25%	39	99.25%
20	85.00%	40 (completion)	100.00%

Administration of the J.A.T.C. Financial Analyst Program pay provisions shall be as follows:

1. Upon entry into this program, an employee's compensation shall be established at the higher of the following amounts:

a. the percentage rate in the pay plan which corresponds to the amount of advanced standing approved for that employee by the J.A.T.C.;

or, for current employees only,

b. the percentage rate in the pay plan which is next over the employee's current rate of pay.

2. An employee's participation in and progress through this program shall be in accordance with the procedures of the J.A.T.C.

8.8 For each employee who has been continuously employed by the Employer for at least 90 days, the Employer shall contribute one hundred fifty-eight dollars (\$158.00) per month beginning January 1, 2000, one hundred ninety-one dollars (\$191.00) per month beginning January 1, 2001, and two hundred twenty-four dollars (\$224.00) per month beginning January 1, 2002, and an additional five dollars (\$5.00) per month for each employee enrolled in plan 3 single coverage hospital-medical insurance, for either contribution to a qualifying and approved deferred compensation plan, or for contribution to a city-sponsored family dependant hospital-medical plan premium, whichever is designated by the employee during the open window for insurance selection or at the time of a life event.

8.9. The entrance and completion rates of pay for each such program shall be determined by the Labor-Management Committee, but shall be within the minimum and maximum monthly rates of pay specified for the position by Appendixes 1, 2, 3 and 4. The percentages indicated in the above formula shall mean percentages of the completion rate of pay so determined. The J.A.T.C. shall monitor changes to Appendixes 1, 2, 3 and 4 so as to insure that appropriate entrance and completion rate adjustments are made in connection with related changes made to Appendixes 1, 2, 3 and 4. When an employee enters a J.A.T.C. program, the employee shall not receive pay less than what the employee was being paid in the employee's previous classification. An employee who voluntarily demotes or is demoted to a J.A.T.C. Program shall receive not less than two steps below 100% of the top rate of the apprentice classification. The J.A.T.C. Committee shall have the authority to determine which step the demoted employee will receive.

8.10. Compensation increases authorized by the above formula shall be implemented only if the employee has served the time indicated and has satisfactorily completed the appropriate program training, which shall be verified by the J.A.T.C.

(c) the physical or mental ability of employees to perform the specific tasks or operate the particular equipment involved in a particular assignment.

(d) the knowledge employees have of the geographical area involved in a particular assignment.

(e) the need for employees to have a certain amount of experience before being assigned to night or weekend shifts.

20.6. The Employer and Union agree with the principle that seniority shall be a factor in making any assignments other than those specified in Sections 20.3 and 20.5 of this article.

20.7. The Employer and Union agree that the Employer will provide data, assistance, and use of data processing system to jointly develop with the Union a seniority list, at least annually.

20.8. When calculating classification seniority, the following criteria shall be used:

(a) An employee who is reclassified to a higher position shall have his or her seniority date changed to the effective date of the reclassification.

(b) An employee who is reclassified to a position at the same salary range shall retain his or her previously established seniority date.

(c) When two (2) or more persons have equal seniority in a job class as calculated in 20.1, the order of seniority in such tie cases shall be determined first by the total continuous department years of service within the bargaining unit, second by the total continuous years of service within the bargaining unit, and if a tie still exists, from the highest score on the last examination for the job title that the employee held at the time of layoff.

20.9. This article shall not be construed to affect in any way the provisions contained in Article 38 regarding the layoff of employees.

ARTICLE 21 - HOSPITAL-MEDICAL INSURANCE

[SEE ADDENDUM FOR PROVISIONS APPLICABLE IN 1997 AND 1998.]

21.1. During the period of this Agreement, the Employer will provide employees hospital-medical insurance coverage containing the same level of benefits as provided under the four hospital-medical insurance plans in effect 1-1-93.

(a) The Employer agrees to pay for the employees without claimed dependents the entire cost of the single employee approved hospital medical insurance plan selected by the employee.

(b) Beginning January 1, 1999, the Employer agrees to pay a maximum amount of \$425 each month for the premium cost of coverage under plans 1, 2, or 4 for employees eligible for and enrolled in one of those plans, and \$435 each month for the premium cost of coverage under plan 3 for employees eligible for and enrolled in that plan. In addition, the Employer agrees to

contribute fifteen dollars (\$15.00) per month beginning January 1, 2000, thirty dollars (\$30.00) per month beginning January 1, 2001, and forty-five dollars (\$45.00) per month beginning January 1, 2002 for the premium cost of family-dependent coverage for employees enrolled in Plan 2. In addition, the Employer agrees to contribute twenty dollars (\$20.00) per month beginning January 1, 2000, forty dollars (\$40.00) per month beginning January 1, 2001, and sixty dollars (\$60.00) per month beginning January 1, 2002 for the premium cost of family-dependent coverage for employees enrolled in Plan 3.

The Employer shall deduct from each eligible and enrolled employee's salary or wages the amount by which the monthly premium cost of the employee's hospital medical plan family-dependant coverage exceeds the Employer's contribution.

(c) Premiums shall be established by November 1 of the prior year, to be in effect January 1 of each year for twelve (12) consecutive calendar months.

(d) If the premium exceeds the monthly dollar allotment this article shall be reopened at the Union's request.

(e) The Employer shall provide the union on the first day of each quarter, beginning January 1, 1984, all costs and utilization figures used to determine the insurance premium.

21.2. Hospital-medical insurance coverage shall become effective ninety (90) calendar days from date of hire.

21.3. While an employee is entitled to receive long-term disability income protection pursuant to Article 30 of this Agreement, the Employer shall maintain such hospital-medical insurance coverage for such employee as it does for active employees.

21.4. Any proposed change in the hospital-medical insurance coverage shall be negotiated with the Union.

21.5. The Employer will add the following provisions to its fee for-services hospital-medical insurance plan, the cost for which shall be paid by the Employer.

(a) The major medical limit is increased to \$1,000,000 per lifetime.

Counseling for diabetes, weight control, and genetics will be covered when provided by qualified medical professionals.

(b) One general physical examination per year will be provided for each person otherwise covered by the plan; coverage for such physical examination is limited to \$150.00 per person. If required, by a physician, additional examinations or other procedures shall be covered.

(c) A mandatory ambulatory surgery schedule will be included as per a listing received from Blue Cross/Blue Shield. If an employee elects in-patient surgery when not medically necessary, the employee shall pay the difference in cost. If a determination is made by a qualified

1999
AGREEMENT
BETWEEN THE
CITY OF DULUTH
AND
LOCAL 66 OF A.F.S.C.M.E.
FOR
BASIC UNIT EMPLOYEES

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19	84.25%	39	99.25%
20	85.00%	40 (completion)	100.00%

Administration of the J.A.T.C. Financial Analyst Program pay provisions shall be as follows:

1. Upon entry into this program, an employee's compensation shall be established at the higher of the following amounts:

a. the percentage rate in the pay plan which corresponds to the amount of advanced standing approved for that employee by the J.A.T.C.;

or, for current employees only,

b. the percentage rate in the pay plan which is next over the employee's current rate of pay.

2. An employee's participation in and progress through this program shall be in accordance with the procedures of the J.A.T.C.

8.8 For each employee who has been continuously employed by the Employer for at least 90 days, the Employer shall contribute one hundred twenty-five dollars (\$125.00) per month beginning January 1, 1999, and an additional five dollars (\$5.00) per month beginning January 1, 1999, for each employee enrolled in plan 3 single coverage hospital-medical insurance, for either contribution to a qualifying and approved deferred compensation plan, or for contribution to a city-sponsored family dependant hospital-medical plan premium, whichever is designated by the employee during the open window for insurance selection or at the time of a life event.

8.9. The entrance and completion rates of pay for each such program shall be determined by the Labor-Management Committee, but shall be within the minimum and maximum monthly rates of pay specified for the position by Appendixes 1, 2, 3 and 4. The percentages indicated in the above formula shall mean percentages of the completion rate of pay so determined. The J.A.T.C. shall monitor changes to Appendixes 1, 2, 3 and 4 so as to insure that appropriate entrance and completion rate adjustments are made in connection with related changes made to Appendixes 1, 2, 3 and 4. When an employee enters a J.A.T.C. program, the employee shall not receive pay less than what the employee was being paid in the employee's previous classification. An employee who voluntarily demotes or is demoted to a J.A.T.C. Program shall receive not less than two steps below 100% of the top rate of the apprentice classification. The J.A.T.C. Committee shall have the authority to determine which step the demoted employee will receive.

8.10. Compensation increases authorized by the above formula shall be implemented only if the employee has served the time indicated and has satisfactorily completed the appropriate program training, which shall be verified by the J.A.T.C.

8.11. Golf Course Worker

20.8. When calculating classification seniority, the following criteria shall be used:

(a) An employee who is reclassified to a higher position shall have his or her seniority date changed to the effective date of the reclassification.

(b) An employee who is reclassified to a position at the same salary range shall retain his or her previously established seniority date.

(c) When two (2) or more persons have equal seniority in a job class as calculated in 20.1, the order of seniority in such tie cases shall be determined first by the total continuous department years of service within the bargaining unit, second by the total continuous years of service within the bargaining unit, and if a tie still exists, from the highest score on the last examination for the job title that the employee held at the time of layoff.

20.9. This article shall not be construed to affect in any way the provisions contained in Article 38 regarding the layoff of employees.

ARTICLE 21 - HOSPITAL-MEDICAL INSURANCE

[SEE ADDENDUM FOR PROVISIONS APPLICABLE IN 1997 AND 1998.]

21.1. During the period of this Agreement, the Employer will provide employees hospital-medical insurance coverage containing the same level of benefits as provided under the four hospital-medical insurance plans in effect 1-1-93.

(a) The Employer agrees to pay for the employees without claimed dependents the entire cost of the single employee approved hospital medical insurance plan selected by the employee.

(b) Beginning January 1, 1999, the Employer agrees to pay a maximum amount of \$425 each month for the premium cost of coverage under plans 1, 2, or 4 for employees eligible for and enrolled in one of those plans, and \$435 each month for the premium cost of coverage under plan 3 for employees eligible for and enrolled in that plan.

The Employer shall deduct from each eligible and enrolled employee's salary or wages the amount by which the monthly premium cost of the employee's hospital medical plan family-dependant coverage exceeds the Employer's contribution.

(c) Premiums shall be established by November 1 of the prior year, to be in effect January 1 of each year for twelve (12) consecutive calendar months.

(d) If the premium exceeds the monthly dollar allotment this article shall be reopened at the Union's request.

(e) The Employer shall provide the union on the first day of each quarter, beginning January 1, 1984, all costs and utilization figures used to determine the insurance premium.

1997 - 1998
AGREEMENT
BETWEEN THE
CITY OF DULUTH
AND
LOCAL 66 OF A.F.S.C.M.E.
FOR
BASIC UNIT EMPLOYEES

18	83.50%	38	98.50%
19	84.25%	39	99.25%
20	85.00%	40 (completion)	100.00%

Administration of the J.A.T.C. Financial Analyst Program pay provisions shall be as follows:

1. Upon entry into this program, an employee's compensation shall be established at the higher of the following amounts:

a. the percentage rate in the pay plan which corresponds to the amount of advanced standing approved for that employee by the J.A.T.C.;

or, for current employees only,

b. the percentage rate in the pay plan which is next over the employee's current rate of pay.

2. An employee's participation in and progress through this program shall be in accordance with the procedures of the J.A.T.C.

8.8 For each employee who has been continuously employed by the Employer for at least 90 days, the Employer shall contribute seventy-five dollars (\$75.00) per month beginning January 1, 1997, and an additional twenty-five dollars (\$25.00) per month beginning January 1, 1998, for either contribution to a qualifying and approved deferred compensation plan, or for contribution to family dependant hospital-medical premium, whichever is designated by the employee during the open window for insurance selection or at the time of a life event.

8.9 The entrance and completion rates of pay for each such program shall be determined by the Labor-Management Committee, but shall be within the minimum and maximum monthly rates of pay specified for the position by Appendixes 1, 2, 3 and 4. The percentages indicated in the above formula shall mean percentages of the completion rate of pay so determined. The J.A.T.C. shall monitor changes to Appendixes 1, 2, 3 and 4 so as to insure that appropriate entrance and completion rate adjustments are made in connection with related changes made to Appendixes 1, 2, 3 and 4. When an employee enters a J.A.T.C. program, the employee shall not receive pay less than what the employee was being paid in the employee's previous classification. An employee who voluntarily demotes or is demoted to a J.A.T.C. Program shall receive not less than two steps below 100% of the top rate of the apprentice classification. The J.A.T.C. Committee shall have the authority to determine which step the demoted employee will receive.

8.10 Compensation increases authorized by the above formula shall be implemented only if the employee has served the time indicated and has satisfactorily completed the appropriate program training, which shall be verified by the J.A.T.C.

8.11. Golf Course Worker

(a) An employee who is reclassified to a higher position shall have his or her seniority date changed to the effective date of the reclassification.

(b) An employee who is reclassified to a position at the same salary range shall retain his or her previously established seniority date.

(c) When two (2) or more persons have equal seniority in a job class as calculated in 20.1, the order of seniority in such tie cases shall be determined first by the total continuous department years of service within the bargaining unit, second by the total continuous years of service within the bargaining unit, and if a tie still exists, from the highest score on the last examination for the job title that the employee held at the time of layoff.

20.9. This article shall not be construed to affect in any way the provisions contained in Article 38 regarding the layoff of employees.

ARTICLE 21 - HOSPITAL-MEDICAL INSURANCE

[SEE ADDENDUM FOR PROVISIONS APPLICABLE IN 1997 AND 1998.]

21.1. During the period of this Agreement, the Employer will provide employees hospital-medical insurance coverage containing the same level of benefits as provided under the four hospital-medical insurance plans in effect 1-1-93.

(a) The Employer agrees to pay for the employees without claimed dependents the entire cost of the single employee approved hospital medical insurance plan selected by the employee.

(b) Beginning January 1, 1997, the Employer agrees to pay the entire premium, not to exceed \$375 per month as the cost of any medical insurance plan offered by the employer for employees eligible and enrolled in a family hospital-medical insurance plan. Beginning January 1, 1998, the maximum employer contribution for family coverage shall be \$400 per month.

The Employer shall deduct from each eligible and enrolled employee's salary or wages the amount by which the monthly premium cost of the employee's hospital medical plan family-dependant coverage exceeds the \$375 during 1997 and \$400 during 1998 and thereafter.

(c) Premiums shall be established by November 1 of the prior year, to be in effect January 1 of each year for twelve (12) consecutive calendar months.

(d) If the premium exceeds the monthly dollar allotment this article shall be reopened at the Union's request.

(e) The Employer shall provide the union on the first day of each quarter, beginning January 1, 1984, all costs and utilization figures used to determine the insurance premium.

21.2. Hospital-medical insurance coverage shall become effective ninety (90) calendar days from date of hire.

1995 - 1996
AGREEMENT
BETWEEN THE
CITY OF DULUTH
AND
LOCAL 66 OF A.F.S.C.M.E.
FOR
BASIC UNIT EMPLOYEES

2. An employee's participation in and progress through this program shall be in accordance with the procedures of the J.A.T.C.

8.8 For each employee who has been continuously employed by the Employer for at least 90 days, the Employer shall contribute twenty-five dollars (\$25.00) per month beginning January 1, 1995, and an additional twenty-five dollars (\$25.00) per month beginning January 1, 1996, for either contribution to a qualifying and approved deferred compensation plan, or for contribution to family dependant hospital-medical premium, whichever is designated by the employee during the open window for insurance selection or at the time of a life event.

8.9. The entrance and completion rates of pay for each such program shall be determined by the Labor-Management Committee, but shall be within the minimum and maximum monthly rates of pay specified for the position by Appendixes 1, 2, 3 and 4. The percentages indicated in the above formula shall mean percentages of the completion rate of pay so determined. The J.A.T.C. shall monitor changes to Appendixes 1, 2, 3 and 4 so as to insure that appropriate entrance and completion rate adjustments are made in connection with related changes made to Appendixes 1, 2, 3 and 4. When an employee enters a J.A.T.C. program, the employee shall not receive pay less than what the employee was being paid in the employee's previous classification. An employee who voluntarily demotes or is demoted to a J.A.T.C. Program shall receive not less than two steps below 100% of the top rate of the apprentice classification. The J.A.T.C. Committee shall have the authority to determine which step the demoted employee will receive.

8.10. Compensation increases authorized by the above formula shall be implemented only if the employee has served the time indicated and has satisfactorily completed the appropriate program training, which shall be verified by the J.A.T.C.

8.11. Golf Course Worker

The Employer and the Union agree that if the Employer creates a classification of employee which position does the duties currently performed by temporary golf course worker (mow grass, maintain the course), the pay rate shall be Grade 15 with Step A and Step E.

ARTICLE 9 - LONGEVITY AWARD

9.1. In addition to the monthly pay prescribed herein, any employee who has been continuously employed by the City for a number of qualified pay periods, the total of which is not less than eight (8) years, shall receive from and after the beginning of the next pay period following completion of his or her eighth year of service, a monthly longevity award equal to four percent (4%) of his or her basic monthly pay and any employee who has been continuously employed by the City for a number of qualified pay periods, the total of which is not less than sixteen (16) years, shall receive from and after the beginning of the next pay period an additional monthly longevity award equal to four percent (4%) of his or her basic monthly pay. Such longevity award shall be computed to the nearest dollar per month. The term "qualified pay period" shall mean any regular minimum period of time at the end of which full-time employees of the City are regularly paid and during which the employee was employed and/or paid by the City for not less than three-fourths (3/4) of the normal working hours of the position he or she then occupied.

9.2. In cases where employees have completed a sufficient number of years of service in the Police or Fire Departments of the City to qualify for police or fire pension benefits, the period of service of such an employee in the Police or Fire Department shall not be considered in computing the longevity award to which such employee may be entitled under this article; provided,