CITY COUNCIL AGENDA

Special Meeting: Monday, December 29, 2025, 5:30 p.m.

1. Roll Call/Determination of Quorum

2. Pledge of Allegiance

3. Approval of the Agenda

4. New Business

A) Consideration and potential action on the City Administrator Position (Temporary, Interim, and/or Permanent)

B) Consideration and potential action on the AFSME Union Contract

5. Adjournment

FAIRMONT

STAFF MEMO

<table>
<tr><td>Prepared by:
Betsy Steuber, City Clerk</td><td>Meeting Date:
12/29/2025</td><td>☐ Consent Agenda Item
☒ Regular Agenda Item
☐ Public Hearing</td><td>Agenda Item #
4A</td></tr>
<tr><td>Reviewed by:</td><td colspan="3">Item: Consideration on the City Administrator Position (Temporary, Interim, and/or Permanent)</td></tr>
<tr><td>Presented by:
Betsy Steuber, City Clerk</td><td colspan="3">Action Requested:

Option #1: MGT Contract
Motion that the meeting with the MGT candidate be postponed indefinitely until such time that Councilmember(s) ________________ [no more than two Councilmembers], HR Manager Viesselman, and legal counsel have negotiated preliminary contract terms acceptable to the City should the City Council intend to move forward with the MGT candidate.

Option #2: Permanent or Interim Non-MGT City Administrator Candidate
Motion that City Council designate Councilmember(s) ________________ [no more than two Councilmembers] to work with HR Manager Viesselman to set up an interview between the identified City Administrator candidate(s) and City Council

Option #3: Acting City Administrator
Motion that City Council designate Councilmember(s) ________________ [no more than two Councilmembers] to work with HR Manager Viesselman to finalize details required to bring forth a resolution appointing ___________ as acting City Administrator for consideration at its next open meeting on January 12, 2026.

Option #4: Other Motion, as Council Directs</td></tr>
<tr><td>Vote Required:
☒ Simple Majority
☐ Two-Thirds Vote
☐ Roll Call</td><td colspan="3">Staff Recommended Action:

Board/Commission/Committee Recommendation:</td></tr>
</table>

PREVIOUS COUNCIL ACTION

On December 8, 2025, Fairmont City Council adopted Resolution 2025-40, a resolution providing for distributed and shared authority (each department director provides oversight) with the Mayor serving as the point of contract for Council questions outside of meetings, etc.

REFERENCE AND BACKGROUND

The City Administrator position has been vacant since the end of November, upon the departure of

Jeff O'Neill, serving as Interim Administrator. The City Council continues to consider options for maintaining administrative continuity while pursuing a permanent City Administrator.

Recent developments include expressions of interest regarding interim or permanent administrative coverage and preliminary discussion of interim administrative leadership options. One of the purposes of this special meeting is to discuss available paths forward and provide direction regarding next steps in the City Administrator hiring process and interim administrative coverage.

Certain information related to this agenda item constitutes private personnel or applicant data and/or nonpublic attorney-client privileged data under Minnesota law. Council discussion in open session must remain general in nature and avoid identifying or discussing private applicant information.

BUDGET IMPACT

Impact varies based on the selected option(s).

SUPPORTING DATA/ATTACHMENTS

FAIRMONT

STAFF MEMO

Prepared by: Rachel Viesselman, Human Resources Manager	Meeting Date: 12/29/2025	☐ Consent Agenda Item ☒ Regular Agenda Item ☐ Public Hearing	Agenda Item # 4B
Reviewed by:	**Item:** Consideration of the American Federation of State, County and Municipal Employees (AFSCME) Union Contract		
Presented by: Rachel Viesselman, Human Resources Manager	**Action Requested:** Motion to Adopt Resolution 2025-48 Approving the Labor Agreement Between the City of Fairmont and AFSCME, Local #1204		
Vote Required: ☒ Simple Majority ☐ Two-Thirds Vote ☐ Roll Call	**Staff Recommended Action:** Approval **Board/Commission/Committee Recommendation:**		

PREVIOUS COUNCIL ACTION

REFERENCE AND BACKGROUND

The American Federation of State, County and Municipal Employees (AFSCME), Local #1204 is the labor union that represents employees in the City of Fairmont's engineering, parks, streets, liquor, and water resources departments. The City's current three-year contract with AFSCME will expire after December 31, 2025. In anticipation of this, the City and AFSCME negotiated terms for a new three-year contract to be effective January 1, 2026 through December 31, 2028. Major changes within this new contract include:

- Compensation changes, including:
  - Annual cost-of-living adjustments (COLAs) as follows: 3.5% in 2026, 3.5% in 2027, and 3.5% in 2028.
  - The move from a 10-step, longevity-based pay scale (with a 2.65% difference between steps) to an 8-step, performance-based pay scale (with a 3.45% difference between steps).
- The addition of a provision granting employees who are required to provide weekly standby coverage at the Aquatic Park eight (8) hours straight-time pay for said duty. This pay does not count toward hours worked for the purpose of calculating overtime and may be accepted as paid hours, comp hours, or a combination of both.
- The official addition of Juneteenth and Martin Luther King Jr. Day to the City's list of holidays as well as the removal of Good Friday in exchange for one floating holiday.
- An increase in the vacation carryover from 112 hours to 200 hours and a transition from an employee's anniversary date to the end of the calendar year in terms of the carryover deadline.
- A change in the method by which employees who retire, die, or become disabled while employed at the City receive their accumulated sick time. Employees previously had the option to receive a lump sum payout of sick time or put that sick time toward health insurance premiums. Their sick time will now be deposited into their MSRS Health Care Savings Plan account as follows:

Current Rates (per insurance premium option)	New Rates
Hours 0 – 600 = 10%	Hours 0 – 600 = 25%
Hours 601 – 1,960 = 100%	Hours 601 – 2,080 = 100%
Hours over 1,960 = 0%	Hours over 2,080 = 0%

- An increase in the reimbursement amount for safety toe footwear from a maximum of $225/year to $300/year. An increase in the reimbursement amount for safety glasses from $900 over the life of the three-year contract to $1,000 over the life of the three-year contract.
- The addition of language relating to the Minnesota Paid Leave Act that goes into effect January 1, 2026.

BUDGET IMPACT
These costs were planned for in the 2026 budget.

SUPPORTING DATA/ATTACHMENTS
Contract between AFSCME and the City of Fairmont, effective January 1, 2026 – December 31, 2028
Resolution 2025-48

A G R E E M E N T

Between

CITY OF FAIRMONT
and
THE AMERICAN FEDERATION OF
STATE, COUNTY AND MUNICIPAL EMPLOYEES,
AFL-CIO

LOCAL UNION NO. 1204

January 1, 2026 through December 31, 2028

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AGREEMENT

This Agreement, entered into by the City of Fairmont, hereinafter referred to as the Employer, and Local 1204, Council 65, American Federation of State, County and Municipal Employees, AFL-CIO, hereinafter referred to as the Union, has as its purpose the promotion of harmonious relations between the Employer and the Union; the establishment of an equitable and peaceful procedure for the resolution of difference and the establishment of rates of pay, hours of work and other conditions of employment.

ARTICLE I

RECOGNITION

The Employer recognizes the Union as the sole and exclusive bargaining agent for the purpose of establishing salaries, wages, hours and other conditions of employment for all employees of the street, park, liquor dispensary, engineering, parking meter and custodial departments excluding the City Administrator, Administrative Secretaries, City Clerk, Finance Director, Public Works Director, Street Superintendent, Liquor Store Manager, Assistant Liquor Store Managers, City Engineer, Assistant City Engineers, Code Enforcement Officers, all temporary, seasonal and part-time employees (as defined in the Public Employees Labor Relations Act of 1971) and all other City employees.

ARTICLE II

HOURS OF WORK

SECTION 1 The regular hours of work each day shall be consecutive except for interruptions for lunch period. References to consecutive hours of work in the balance of this Article shall be construed generally to include the lunch periods.

SECTION 2 The work week shall consist of five (5) consecutive workdays, Monday through Friday inclusive except for employees in the liquor store and park department whose work week shall be considered a continuous operation. Park department employees' and liquor store employees' work weeks shall consist of any five (5) consecutive days in a seven (7) calendar day period.

SECTION 3 Eight (8) consecutive hours of work shall constitute a work shift for all employees except the liquor store stockmen whose work shift shall not exceed ten (10) consecutive hours of work.

SECTION 4 Work schedules showing the employees, shifts, workdays and hours shall be posted on all department bulletin boards at all times. Except for emergency situations, work schedules shall not be changed without notifying the affected employee three (3) days in advance.

SECTION 5 Employees shall be paid on an hourly schedule. The normal hours of work for full-time employees shall be eight (8) per day and forty (40) per work week except for the liquor store stockmen whose normal hours of work shall not exceed ten (10) per day and forty (40) per week. All hours worked in excess of the normal workday or work week shall be considered overtime and compensated for at time and one-half (1-1/2) rates.
Employees shall be given the option of compensatory time off at the time

and one-half (1-1/2) rate not to exceed sixty (60) hours at any time. There shall be a yearly maximum annual accrual of two hundred (200) hours, after the two hundred (200) annual accrual all time will be paid out. Vacation and sick leave hours shall count as hours worked for purposes of calculating eligibility for overtime.

Compensatory time may be used subject to the prior approval of the supervisor and department head. Compensatory time off may be denied by the employer for reasons stated as, but not limited to, work schedule, emergency situations, manpower needs, vacation conflicts, etc. Unused compensatory time off will be paid by the City prior to the end of the calendar year. Unused comp time may be cashed out by the employee at any time and added to the employee's next paycheck. The use of, or sell back, of compensatory time shall not count as hours worked for purposes of calculating eligibility for overtime.

SECTION 6 All employees shall receive two (2) fifteen (15) minutes rest periods in each eight (8) hour shift at time designated by their immediate supervisor.

SECTION 7 When an employee is called out to work other than the employee's regular scheduled shift, the employee shall receive a minimum of two (2) hours pay at time and one-half (1-1/2) the regular rate of pay. Reporting early for a shift or an extension of a shift shall not qualify for this two (2) hour minimum. When an employee reports for work in accordance with the schedule without having been previously notified not to report, he shall receive a minimum of four (4) hours pay in lieu thereof.

SECTION 8 The Union recognizes that certain projects require an employee to work overtime and therefore stipulates that an employee must accept overtime unless excused by the immediate supervisor for good and sufficient reason.

SECTION 9 Overtime shall be distributed as equally as practical among the employees for each department on an annual basis.

SECTION 10 Supervisors or Foremen not covered by this Agreement shall be allowed to perform work normally performed by members of the bargaining unit except in the following conditions:

1. Non-incidental overtime requiring more than one (1) hour of work.
2. To avoid filling a posted vacancy.

SECTION 11 All hours worked on Sundays shall be paid at two (2) times the regular rate of pay. Liquor store employees shall receive an additional $2.00 per hour for work on Sunday and are not eligible for the double (2) time pay in this section.

Section 12 Employees, with the approval of their supervisor, may voluntarily work through their lunch break and leave when they have completed 8 hours of normal work. Receiving eight (8) hours of pay for eight (8) hours of work.

SECTION 13 Employees required to provide weekly standby at the Aquatic Park shall receive eight (8) hours straight-time pay for said standby duty. Standby pay does not count towards hours worked for the purpose of calculating overtime. Standby pay may be accepted as paid hours, comp hours, and/or a combination of both.

ARTICLE III

HOLIDAYS

SECTION 1 The following days shall be recognized and observed as paid holidays:

New Year's Day	January 1st
Martin Luther King Jr. Day	3rd Monday in January
Presidents' Day	3rd Monday in February
Memorial Day	4th Monday in May
Juneteenth	June 19th
Independence Day	July 4th
Labor Day	1st Monday in September
Veterans Day	November 11th
Thanksgiving Day	4th Thursday in November
Day after Thanksgiving Day	
Christmas Eve	December 24th
Christmas Day	December 25th
Floating Holiday	

SECTION 2 Any holiday falling on a Sunday shall be observed on the following Monday. Any holiday falling on a Saturday shall be observed on the preceding Friday. In the case that Christmas falls on a Saturday, the Christmas Eve holiday shall be observed on the preceding Thursday.

SECTION 3 When a holiday falls during an employee's vacation period, the holiday shall not be subtracted from the employee's vacation time.

SECTION 4 Non-Liquor Store Employees. Non-liquor store employees shall receive eight (8) hours of holiday pay on the day the holiday is observed. A non-liquor store employee required to work on an observed holiday will receive two (2) times their regular base pay rate for the actual hours worked. Holiday pay shall also apply to any work performed on Easter Sunday.

Liquor Store Employees. Liquor store employees shall receive eight (8) hours of holiday pay on the actual day of the holiday. Liquor store employees required to work on the holiday will receive two (2) times their regular base pay rate for the actual hours worked. Holiday pay shall also apply to any work performed on Easter Sunday.

SECTION 5 An employee is not eligible for pay or time off on a holiday if the employee has been absent without leave either the working day before or the workday after the holiday.

ARTICLE IV

VACATIONS

SECTION 1.

Years of Service	Annual Vacation Hours Earned	Per Pay Period Accrual
0-5	80	3.08
6	88	3.39
7	96	3.69

8	104	4.00
9	112	4.31
10	120	4.62
11	128	4.93
12	136	5.24
13	144	5.54
14	152	5.85
15	160	6.16
16 -17	168	6.47
18-19	176	6.77
20-21	184	7.08
22	200	7.70
23	208	8.00
24	216	8.31
25	224	8.62

SECTION 2. Years of service is based upon each employee's employment anniversary date. If an employee worked part time for the city prior to full time employment, the years of service is based on the anniversary date for full-time employment.

An employee's vacation time will begin to accrue on their date of hire. Employees will accrue vacation hours per pay period in accordance with the vacation accrual schedule in Section 1.

An employee may carry over a maximum of 200 vacation hours into the next calendar year. Unused vacation time in excess of the 200-hour carryover limit may be sold back to the City at the employee's current base rate of pay. All vacation "sell-back" shall occur during the same year it was earned and any unused vacation time in excess of the 200-hour carryover limit that is not "sold back" to the City will be forfeited as of December 31st.

If a paid holiday occurs during the employee's vacation period, holiday pay will be applied, and the employee's vacation accrual will not be reduced for the time off taken on the holiday.

SECTION 3. On April 1st of each year the Employer will post a list of employees and vacation accrued. Employees will have until April 30th to place their vacation requests. In cases where, at the discretion of the department head, the number of employees on vacation must be limited, the senior employee(s) shall have preference on vacation times. Employees not signing up for vacation periods during the month of April shall have the ability to request vacation at a later date, however, these requests will be treated on a first-come, first-serve basis and seniority shall not govern.

ARTICLE V

SICK LEAVE

SECTION 1 All employees shall earn sick leave at a rate of eight (8) hours per month of employment.

SECTION 2 To utilize sick leave, an employee must notify, or cause to be notified, the employee's supervisor prior to the start of the employee's scheduled shift.

SECTION 3 An employee utilizing sixteen (16) or more consecutive hours of sick leave shall be required to keep the appropriate supervisor notified as to the employee's condition. An employee using sixteen (16) or more consecutive hours of sick leave may be required by the supervisor to provide reasonable documentation.

SECTION 4 Except as provided in Section 2 of this Article, any employee injured on the job, and being paid for loss of time by the workers' compensation policy shall have the option of receiving the full amount of the employee's regular pay, subject to the following conditions:

1. That the employee's payment for loss of time from workers' compensation be turned over to the employer.
2. That the difference between the workers' compensation benefit and the full pay provided be deducted from the employee's accumulated sick or vacation leave.

SECTION 5 In addition to the use of sick leave for illness or injury of the employee, the employee may use sick leave in the case of illness or injury of a member of the employee's family, including a child, spouse, or registered domestic partner, sibling, parent or stepparent, a person who acted as the employees parent when the employee was a minor, a grandchild or grandparent, an in-law relationship such as siblings-in-law or children-in-law, any other relative by blood, or an individual whose close association with the employee is the equivalent of a family relationship. The conditions established in Article VI, Section 1-3 shall also apply to this use of sick leave.

ARTICLE VI

BEREAVMENT LEAVE

SECTION 1 An employee shall be allowed up to forty (40) hours with pay as bereavement leave not to be deducted from sick leave for a death in the immediate family; the number of hours taken shall be at the discretion of the employer. Immediate family is to be defined as: Spouse, Parent (including steps and in-laws), Child (including steps and in-laws), Grandchild (including step), Grandparent, Brothers and Sisters (including steps and in-laws), or a member of the employee’s household.

SECTION 2 Eight (8) hours of funeral leave for the death of a relative outside the immediate family.

SECTION 3 Any employee selected to be a pallbearer, driver or military honor guard will be allowed eight (8) hours of funeral leave with pay not more than three (3) times per calendar year.

SECTION 4 Full time employees may be allowed up to four (4) hours off with pay to attend the funeral of a City employee, or a retired City employee. The need for continuing essential services and emergencies may limit the number of employees who may attend a funeral. The department head can determine the number of employees who may attend the funeral.

ARTICLE VII

LEAVES OF ABSENCE

SECTION 1 Any request for leave of absence shall be submitted by the employee in writing to the employee's immediate supervisor. The request shall state the reason the leave of absence is being requested and the specific dates between which the employee desires the leave. Authorization for the leave of absence, if granted, shall be furnished in writing to the employee by the employee's immediate supervisor.

SECTION 2 An employee granted an unpaid leave of absence, in excess of three (3) working days, shall not accrue vacation, sick leave, or other City benefits during the period of the leave of absence.

SECTION 3 An employee shall be granted a leave of absence with pay any time the employee is required to report for jury duty or jury service, the employee shall report to work on any day the jury is not used or for the portion of any working day during which the jury has been dismissed, if such portion is equal to one-half or more of the employees scheduled work day.

SECTION 4 An employee who is a member of a Reserve Force of the United States or of the State of Minnesota, and who is ordered by the appropriate authorities to attend a training program, or other duties under the supervision of the United States or the State of Minnesota, shall be granted a paid leave of absence during the period of such activity in compliance with the terms and conditions set forth in the applicable Federal and State laws. Any employee who enters into active service in the Armed Forces of the United States while in the service of the Employer shall be granted a leave of absence for the period of military service.

SECTION 5 The City agrees to grant the necessary time off without pay and without discrimination to any employee designated by the Union to attend a labor convention or serve in any capacity on any other Union business, provided the employee follows the same procedure to secure leave of absence. No more than two (2) employees may use this leave simultaneously and they shall not be from the same department unless approved by the City Administrator.

SECTION 6 Effective January 1, 2026, the Employer shall provide Paid Family and Medical Leave (PFML) in accordance with Minnesota state law. Eligible employees may take leave for the birth, adoption, or foster placement of a child, to care for a family member with a serious health condition, for their own serious health condition, or for certain military-related exigencies. Employees will receive a percentage of their average weekly wages during PFML and will be entitled to job protection and continuation of health benefits during the leave period. Accrued hours as outlined in this contract will continue to be accrued while on PFML. PFML may run concurrently with other leave entitlements, and employees must provide appropriate notice and documentation as required by law.

Effective January 1, 2026, the employer agrees to pay 50% of the Minnesota Paid Family Medical Leave premiums assessed pursuant to Minnesota Statute Section 268B. 14.

Employees may supplement PFML benefits with accrued comp time, vacation, and sick leave to receive full wage replacement not to exceed 100% of their regular wage during their leave period.

ARTICLE VIII

PREGNANCY-RELATED DISABILITY LEAVE AND CHILD CARE LEAVE

SECTION 1 In conformance with the Minnesota Human Rights Act and the Pregnancy Discrimination Act, disabilities caused or contributed to by pregnancy, childbirth, or related medical conditions shall be treated the same as disabilities caused or contributed to by other medical conditions.

SECTION 2 A pregnant employee who is unable to perform the duties and responsibilities of the employees' position due to disabilities caused or contributed to by pregnancy, childbirth or related medical conditions, is eligible to use sick leave in accordance with Article V, Sick Leave.

SECTION 3 An employee who wishes to request a leave of absence for purposes of childcare may request a paid or unpaid leave of absence in accordance with Article VII, Leaves of Absence.

ARTICLE IX

SENIORITY

SECTION 1 Seniority shall be on a bargaining unit basis in accordance with the employee's last date of hire. Seniority shall be retroactive following the successful completion of an employee probationary period.

SECTION 2 The Employer shall post each January a seniority list on all bulletin boards showing the name, job title, and date of hire, and total continuous service of all employees eligible for seniority. The Employer will provide the Union with an updated seniority list when requested.

Total continuous service is the total unceasing service from last date of hire measured by total hours or total months, not to include breaks in seniority due to lay-off or unpaid leave of absence.

SECTION 3 An employee shall lose seniority only by reason of promotion out of the bargaining unit, resignation, or discharge.

SECTION 4 Seniority shall be the determining factor for promotions, transfers, and layoffs only when all other job relevant qualification factors are relatively equal.

SECTION 5 Layoff shall mean a reduction in work force due to decrease of work, economic factors or service level changes. In the case of layoff, probationary and part-time employees will be laid off on a unit basis prior to the laying off of full-time senior employees. Further layoff shall then be based on the employee's departmental seniority provided that any full-time employee affected by layoff may exercise the employee's continuous service seniority in another department of the employer to displace an employee in another department with less service seniority if the displacing employee's ability and qualifications are sufficient for the new position. Employees to be laid off shall be given a minimum of seven (7) calendar days' notice.

SECTION 6 In the event of a recall following a layoff, employees shall be recalled in an inverse order of the layoff. Recall rights will continue for twelve (12) months after layoff. Recalled employees shall have ten (10) working days after notification of recall by registered mail at the employee's last known address to report to work or forfeit all recall rights.

ARTICLE X

VACANCIES AND PROBATION PERIODS

SECTION 1 Permanent job vacancies, or newly created positions within the bargaining unit shall be filled based on the concept of promotion from within, with seniority being the determining factor, provided that applicants:

1. Have the necessary qualifications to meet the standards of the job vacancy; and,
2. Have the ability to perform the duties and responsibilities of the job vacancy.

SECTION 2 Job vacancies or newly created positions within the bargaining unit shall be posted on all bulletin boards for at least seven (7) calendar days prior to filling vacancy.

SECTION 3 The Employer has the right of final decision in the selection of employees to fill posted jobs based on qualifications, abilities, experience, and seniority. If it becomes necessary to by-pass an employee with seniority, reasons for said denial shall be provided in writing to said employee, with a copy to the Union.

SECTION 4 All newly hired or rehired employees will serve a six (6) month probationary period. At any time during the initial probationary period the newly hired or rehired employee may be terminated at the sole discretion of the Employer.

SECTION 5 All employees shall serve a six (6) month probationary period in any job classification in which the employee has not served a probationary period. At any time during the probationary period a promoted or reassigned employee may be demoted or reassigned to the employee’s previous position at the sole discretion of the Employer. If the employee is unsatisfactory in a position, notice and reasons shall be furnished to the employee and the Union. An employee serving a probation in a new classification shall have the opportunity to revert back to his/her previous position during said period if the position remains vacant and the employer has not chosen to eliminate that position.

ARTICLE XI

UNIFORMS AND CLOTHING ALLOWANCE

SECTION 1 Winter Clothing. The City shall provide each employee that is required to work outside a Class III winter jacket every other year. The City agrees to replace the Class III winter jacket if the condition of the winter jacket is compromised in the performance of an employee's duties.

The City shall provide each employee a winter hat on an annual basis.

SECTION 2 Safety Clothing. The City shall reimburse each employee on an annual basis up to $300.00 for safety toe work boots if required by the employee's job duties.

The City shall reimburse each employee over the life of the contract up to $1,000.00 for safety glasses if required by their job duties.

The City shall provide five (5) high-visibility t-shirts per calendar year.

Section 3 Mechanics Clothing. The City shall provide shirts, pants and jackets to the mechanics in the performance of their duties, as well as a laundering service for the aforementioned garments.

Section 4 Liquor Store Clothing. The City shall provide the Liquor Store Clerk a total of three shirts on an annual basis in the performance of their duties. The City agrees to replace any uniform shirts when necessary due to normal wear.

ARTICLE XII

SAFETY

SECTION 1 The Employer and the Union agree to jointly promote safe and healthful working conditions, to cooperate in safety matters and to encourage employees to work in a safe manner.

SECTION 2 Any safety equipment required to be worn or utilized by the employee including safety glasses, shall be furnished by the Employer, with the exception of clothing worn to or from the place of employment.

SECTION 3 Any employee observed not wearing the proper safety equipment or acting in violation of safety procedures may be subject to discipline.

ARTICLE XIII

WORKING OUT OF CLASSIFICATION

SECTION 1 Employees temporarily working in a higher pay classification for a period of two consecutive weeks shall be paid at a rate of pay equal to the pay per hour for that classification. Consecutive hours also include overlap hours between consecutive workdays. For the purposes of winter maintenance, higher classification pay shall only be applicable when an employee is operating a snowplow with air brakes. The City reserves the sole right to assign employees to higher classification equipment.

ARTICLE XIV

DISCIPLINE

SECTION 1 The Employer shall have the right to impose disciplinary action on employees for just cause. All discipline shall be of a progressive nature.

SECTION 2 An employee shall be given a written copy of any disciplines that are made a part of the employee’s personnel file. Each employee shall have only one personnel file and no written allegation of improper job-related behavior shall be used as a basis for future discipline unless it has been made a part of the employee's personnel file.

SECTION 3 All discipline shall be a proper subject for the grievance procedure.

SECTION 4 Employees shall not be questioned at an investigatory interview where the information gained during the interview could subject the employee to disciplinary action without the employee having the right to have a representative of the Union or other third party of choice at the interview to serve as a witness for the employee.

ARTICLE XV

GRIEVANCES

SECTION 1 A grievance is defined as a dispute or disagreement as to the interpretation or application of the specific terms and conditions of this Agreement.

SECTION 2 Grievances as defined in Section 1 shall be resolved in conformance with the following procedure:

STEP 1. The Union or an employee claiming a violation concerning the interpretation or application of this Agreement shall, within ten (10) working days after such alleged violation occurred, present such grievance to the appropriate Department Head. The appropriate Department Head shall consider and give an answer to such Step 1 grievance within ten (10) working days after receipt. A grievance not resolved in Step 1 and appealed to Step 2 shall be placed in writing setting forth the nature of the grievance, the facts on which it is based, the provision or provisions of the Agreement allegedly violated, and the remedy requested. Such action for an appeal to Step 2 shall be taken within ten (10) working days after the appropriate Department Head's final answer in Step 1. Any grievance not appealed in writing to Step 2 by the Union within ten (10) working days shall be considered waived.

STEP 2. If appealed, the written grievance shall be presented by the Union to the City Administrator. The City Administrator shall give the Union the Employer's answer in writing within ten (10) working days after receipt of such Step 2 grievance. A grievance not resolved in Step 2 may be appealed to Step 3 within ten (10) working days following receipt of the Employer's final Step 2 answer. Any grievance not appealed in writing to Step 3 by the Union within ten (10) working days shall be considered waived.

STEP 3. If the grievance remains unresolved, the Union and City Administrator may request State mediation before going to arbitration.

STEP 4. A grievance unresolved in Step 2 or Step 3 shall be submitted to arbitration subject to the provisions of the Public Employment Labor Relation Act of 1971, as amended. The selection of an arbitrator shall be made in accordance with the "Rules Governing the Arbitration of Grievances" as established by the Public Employment Relations Board.

SECTION 3 The Arbitrator's authority shall be limited as follows:

A. The Arbitrator shall have no right to amend, modify, nullify, ignore, add to, or subtract from the terms and conditions of this Agreement. The Arbitrator shall consider and decide only the specific issue(s) submitted in writing by the Employer and Union, and shall have no authority to make a decision on any other issue not so submitted.

B. The Arbitrator shall be without power to make decisions contrary to, or inconsistent with, or modifying or varying in any way the application of laws, rules or regulations having the force and effect of law. The Arbitrator's decision shall be submitted in writing within thirty (30) days following close of the hearing or the submission of briefs by the parties, whichever be later, unless the parties agree to an extension. The decision shall be binding on both the Employer and the Union and shall be based solely on the Arbitrator's interpretation or application of the express terms of this Agreement and to the facts of the grievance presented.

C. The fees and expenses for the Arbitrator's services and proceedings shall be borne equally by the Employer and the Union provided that each party shall be responsible for compensating its own representatives and witnesses. If either party desires a verbatim record of the proceedings, it may cause such a record to be made, providing it pays for the record. If both parties desire a verbatim record of the proceedings the costs shall be shared equally.

SECTION 4 WAIVER. If a grievance is not presented within the time limits set forth above, it shall be considered "waived". If a grievance is not appealed to the next step within the specified time limit or any agreed extension thereof, it shall be considered settled on the basis of the Employer's last answer. If the Employer does not answer a grievance or an appeal thereof within the specified time limits, the Union may elect to treat the grievance to the next step. The time limit in each step may be extended by mutual agreement of the Employer and the Union.

SECTION 5 CHOICE OF REMEDY. If as a result of the written Employer response in Step 2, or the failure to reach a settlement through Step 3, the grievance remains unresolved, and if the grievance involved the suspension, demotion or discharge of an employee who has completed the required probationary period, the grievance may be appealed either to Step 4 of Article XVI, Section 2 or a procedure such as: Veteran's Preference of Fair Employment. If appealed to any procedure other than Step 4 of Article XVI the grievance is not subject to the arbitration procedure as provided in Step 4 of Article XVI. The aggrieved employee shall indicate in writing which procedure and shall sign a statement to the effect that the choice of any other hearing precludes the aggrieved employee from making a subsequent appeal through Step 4 of Article XVI.

ARTICLE XVI

EMPLOYER AUTHORITY

SECTION 1 The Employer retains the full and unrestricted right to operate and manage all manpower, facilities and equipment; to establish functions and programs; to set and amend budgets; to determine the utilization of technology; to establish and modify the organizational structure; to select, direct and determine the number of personnel; to establish work schedules; and to perform any inherent managerial function not specifically limited by this Agreement.

ARTICLE XVII

SAVINGS CLAUSE

In the event that any provisions, phase or clause of this Agreement shall at any time be declared invalid by any Court or jurisdiction, the decision shall not invalidate the entire Agreement. It being the expressed intention of the parties that all other provisions remain in full force and effect.

ARTICLE XVIII

INSURANCE

The employer will provide a health, major medical and dental policy for employees and their dependents which will be referred to as Plan A. Employees selecting single coverage health insurance will pay the following percentage of the monthly premium; effective 1/1/17-10%. The premium for family coverage will be split with seventy percent (70%) paid by the Employer and thirty percent (30%) paid by the Employee.

An optional High Deductible Plan D will be made available to employees. The employer will pay the same dollar amount as calculated for the premium under Plan A for family coverage. If the employee selects the High Deductible Option, the employer will contribute $2,000 for Family and $500 for Single to the Employee Health Savings Account (HSA). The employer contribution to the HSA will be made with the first pay period in January of each calendar year.

The Employer will pay the premium of an accident and life insurance policy for Employees. The accident and life insurance coverage is subject to the limitations, benefits and conditions established by the Employer's contract with the insurance carrier. Any change in that coverage will be negotiated with the Union.

ARTICLE XIX

MSRS HEALTH CARE SAVINGS PLAN

The Employer will establish a post-employment Health Care Savings Plan (HCSP) through the Minnesota State Retirement System (MSRS). The fund will be funded with the following contributions:

a. All Employees shall contribute $12.50 per pay period.

b. Employer will not contribute any money to the funds.

c. Veterans and others eligible to opt out may do so per the MSRS guidelines.

d. Employees eligible for retirement or disability under the Public Employees Retirement Association (PERA) regulations shall be paid for all accumulated sick leave at such time as the employees retires or becomes disabled at the following rate:

Hours 0 – 600 at 25%
Hours 601 – 2,080 at 100%
Hours over 2,080 = 0%

In the event of the employee's death, these funds shall be paid to the employee's estate.

ARTICLE XX

DURATION

This Agreement shall continue in full force and effect until 11:59 P.M., December 31, 2028. Either of the parties shall submit a written notice at least ninety (90) days prior to termination date of this Agreement for the purpose of negotiating a new Agreement. If settlement on a new Agreement is not reached within the provided ninety (90) day period prior to termination, the present Agreement will remain in effect until a new settlement is reached.

ARTICLE XXI

APPENDIXES

Appendix A is by this reference made a part of this Agreement. The following adjustments shall be made to the wage scale for the years 2026-2028.

January 1st, 2026	3.5 % COLA
January 1st, 2027	3.5% COLA
January 1st, 2028	3.5% COLA

ARTICLE XXII

WAIVER

SECTION 1 The Employer and the Union acknowledge that during the meeting and negotiating which resulted in this Agreement, each had the right and opportunity to make proposals with respect to any subject concerning the terms and conditions of employment. The agreements and understandings reached by the parties after the exercise of this right are fully and completely set forth in this Agreement.

SECTION 2 Therefore, the Employer and the Union, for the duration of this Agreement, agree that the other party shall not be obligated to meet and negotiate over the term or condition of the employment whether specifically covered or not specifically covered by this Agreement.

SECTION 3 Any and all prior agreements, resolutions, practices, policies and rules and regulations regarding the terms and conditions of employment, to the extent they are inconsistent with this Agreement, are hereby superseded.

SECTION 4 This Agreement may be amended any time during its life upon the mutual consent of the Employer and the Union. Such amendment, to be enforceable, must be in writing and attached to all executed copies of this Agreement.

ARTICLE XXIII

UNION SECURITY

SECTION 1 The Employer agrees to deduct from the wages of employees who authorize such deduction in writing, an amount equal to monthly union dues and forward such monies each month to the designated officer of the Union together with a list of the names of the employees from whose wages deductions were made.

ARTICLE XXIV

GENERAL PROVISIONS

SECTION 1 The provisions of this Agreement shall be applied equally to all employees in the bargaining unit without discrimination as to political belief, or Union or Non-Union membership. The Union shall share equally with the Employer the responsibility for applying the provisions of this Agreement.

SECTION 2 Employer agrees to allow two (2) bargaining unit members the necessary time off with pay for negotiation sessions.

SECTION 3 The Employer agrees to allow the Union use of the City Public Works Building lunchroom after working hours for Union meetings, except in the case of a labor dispute resulting in a strike or lockout.

SECTION 4 **Injury on Duty** – WORKER'S COMPENSATION

An employee injured on the job and being paid for loss of time by the Worker's Compensation policy, shall receive the full amount of their regular pay for the first sixty (60) calendar days by the City covering the difference between the Worker's Compensation benefit and the full amount of the employee's regular pay. After that period, the employee shall have the option of receiving the full amount of the employee's regular pay, subject to the following conditions: a) that the employee's payment for loss of time from Worker's Compensation be turned over to the employer; and b) that the difference between the Worker's Compensation benefit and the full pay provided shall be deducted from the employees accumulated sick or vacation leave.

FOR THE AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEE'S AFL-CIO, COUNCIL 65, LOCAL 1204

______________________________ DATE____________________
Labor Representative

______________________________ DATE____________________
Local President

FOR THE CITY OF FAIRMONT

______________________________ DATE____________________
Lee C. Baarts, Mayor

ATTEST:

______________________________ DATE____________________
Betsy A. Steuber, City Clerk

APPENDIX A

The following wage schedule shall be considered as an addendum and agreement between the parties to the foregoing Agreement effective January 1, 2026 through December 31, 2028.

Continuous operation employees who are scheduled to work on Saturday as a regular part of their work week shall receive an additional $.50 per hour.

Job Classification	Position Points
Liquor Store Clerk	112
Parks Maintenance Worker	127
Building Maintenance Technician	137
Light Equipment Operator	137
Heavy Equipment Operator	157
Shop Mechanic	185
City Forester	197
Engineering Technician I	204
Parks Foreman	206
Facilities Foreman	222
Street Crew Foreman	223
Engineering Technician II	231
Water Resources Coordinator	245
Shop Foreman	251

2026 Wage Scale 3.45% Between Steps – 3.5% COLA										
Points		Grade	1	2	3	4	5	6	7	8
0	65	1	22.78	23.57	24.38	25.22	26.09	26.99	27.92	28.88
66	81	2	24.66	25.51	26.39	27.30	28.24	29.22	30.22	31.27
82	112	3	26.69	27.61	28.57	29.55	30.57	31.63	32.72	33.85
113	156	4	28.90	29.89	30.92	31.99	33.09	34.24	35.42	36.64
157	197	5	31.28	32.36	33.48	34.63	35.83	37.06	38.34	39.66
198	205	6	33.86	35.03	36.24	37.49	38.78	40.12	41.50	42.93
206	251	7	36.65	37.92	39.23	40.58	41.98	43.43	44.93	46.48
252	275	8	39.68	41.05	42.46	43.93	45.44	47.01	48.63	50.31

2027 Wage Scale 3.45% Between Steps – 3.5% COLA										
Points		Grade	1	2	3	4	5	6	7	8
0	65	1	23.58	24.39	25.24	26.11	27.01	27.94	28.90	29.90
66	81	2	25.53	26.41	27.32	28.26	29.23	30.24	31.29	32.37
82	112	3	27.63	28.58	29.57	30.59	31.65	32.74	33.87	35.04
113	156	4	29.91	30.94	32.01	33.11	34.26	35.44	36.66	37.93
157	197	5	32.38	33.50	34.65	35.85	37.08	38.36	39.69	41.06
198	205	6	35.05	36.26	37.51	38.80	40.14	41.53	42.96	44.44
206	251	7	37.94	39.25	40.60	42.01	43.45	44.95	46.50	48.11
252	275	8	41.07	42.49	43.95	45.47	47.04	48.66	50.34	52.08

2028 Wage Scale 3.45% Between Steps – 3.5% COLA										
Points		Grade	1	2	3	4	5	6	7	8
0	65	1	24.41	25.25	26.12	27.02	27.96	28.92	29.92	30.95
66	81	2	26.42	27.34	28.28	29.25	30.26	31.31	32.39	33.50
82	112	3	28.60	29.59	30.61	31.67	32.76	33.89	35.06	36.27
113	156	4	30.96	32.03	33.14	34.28	35.46	36.69	37.95	39.26
157	197	5	33.52	34.67	35.87	37.11	38.39	39.71	41.08	42.50
198	205	6	36.28	37.54	38.83	40.17	41.56	42.99	44.47	46.01
206	251	7	39.28	40.63	42.03	43.48	44.98	46.54	48.14	49.80
252	275	8	42.52	43.98	45.50	47.07	48.70	50.38	52.11	53.91

Step adjustments may not be made if serious or continuous disciplinary matters exist within the previous twelve (12) months. In such cases, the employee’s situation will be reviewed by the City Administrator in consultation with the employee’s direct supervisor, their division director, and Human Resources after six (6) months’ time. If it is determined the employee has resolved their issues and is performing satisfactorily, they will be eligible to receive their step increase at that time. If it is determined the employee has not resolved their issues and is performing unsatisfactorily, they will forfeit that step increase.

A promotion is defined as an assignment to a position in a higher job grade. In the event an employee is selected for a promotion, they will receive a pay increase of at least five percent (5%); their rate of pay will be assigned to a step in the new grade range that is closest to but no less than five percent (5%) above their current rate. Their anniversary date will be changed to the effective date of the promotion for the purpose of step advancement, and they will be bound to standard probationary period guidelines.

CITY OF FAIRMONT
RESOLUTION NO. 2025-48

APPROVING LABOR AGREEMENT BETWEEN THE CITY OF FAIRMONT AND THE AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES (AFSCME), LOCAL #1204

WHEREAS, AFSCME is the exclusive representative for certain City of Fairmont employees;

WHEREAS, the current labor agreement between the City of Fairmont and AFSCME expired after December 31, 2025;

WHEREAS, the City of Fairmont and AFSCME met and negotiated over the terms of the new labor agreement between the parties;

WHEREAS, the parties reached a tentative agreement of the terms of the new labor agreement; and

WHEREAS, the Public Employment Relations Act requires that the City of Fairmont execute a labor agreement and implement it in the form of a resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIRMONT, MINNESOTA, AS FOLLOWS:

1. The Labor Agreement between the City of Fairmont and AFSCME for January 1, 2026 through December 31, 2028 is approved.

2. The Mayor and City Clerk shall execute the agreement.

3. The City of Fairmont shall implement the agreement.

Adopted by the City Council of the City of Fairmont on December 29, 2025.

Approved:

____
Lee Baarts, Mayor

Attested:

____
Betsy Steuber, City Clerk