



Engineering Minnesota's Future

Dear MGECC Members:

The MGECC Bargaining Team has concluded negotiations with the State. That was followed up by a day of mediation. The mediator's made a proposal which both the MGECC Bargaining Team and the MGECC Executive Board voted unanimously to **recommend the membership approve of the tentative agreement.**

When MGECC bargains, it does so with multiple objectives, based on priorities set by the membership, and provides proposals offering the employer options to meet the member's interests. The tentative agreements before you meet some of our objectives. Unmet goals remain to be addressed in later bargaining.

Here is a summary of proposed changes to the MGECC Contract

Summary

December 6, 2017

Wages

First year of contract: (7/1/17 to 6/30/18) - 2.0% wage increase on all steps for all ranges effective July 1, 2017; step progression continues to be allowed.

Second year of contract: (7/1/18 to 6/30/19) - 2.25% wage increase on all steps for all ranges effective July 1, 2018; step progression continues to be allowed.

The severance payout for employees with twenty or more years of service would have 100% of severance rather than 75% of severance go into the Health Care Savings Account.

Vacation Cash Out

(NEW) Section 8. 2017-2019 Contract Period Vacation Conversion to Deferred Compensation. For the contract period of the 2017-2019 agreement (July 1, 2017 to June 30, 2019), employees who supervise and who are at the maximum of their salary range or who attain the maximum rate of their range no later than June 30 of the fiscal year may convert up to forty (40) hours of vacation leave to deferred compensation. Eligible employees must complete the appropriate forms through the employee self-service system no later than June 7 of each year.

Employees electing to convert vacation leave must have used three (3) hours of vacation in the previous fiscal year for each hour of vacation converted up to forty (40) hours. Employees electing the vacation conversion shall not receive the State-paid matching contributions provided in Article 17.

Health Care Savings Plan:

Employees will divert 1% of their wages from gross pay to their Health Care Savings Plan. A health savings account is a tax-advantaged medical savings account. The account is owned by the individual and funds roll over and accumulate year to year if not spent. The funds contributed are not subject to federal or state payroll taxes. Reimbursements can be requested after the employee separates from service at any age, retires, or is collecting a disability benefit from a Minnesota public pension plan. Funds deducted to pay qualified medical expenses are withdrawn tax-free. Funds taken out for non-qualified medical expenses are taxed as income, if you are under age 65 there is an additional 20% penalty for use of funds on non-qualified expenses. MSRS may deduct an administrative fee .65% (annual) prorated on a monthly basis up to a maximum of \$140 per year.

Health Care Savings Plan Links:

<https://www.revisor.mn.gov/statutes/?id=352.98>

<https://www.msrs.state.mn.us/qualifying-events>

<https://www.msrs.state.mn.us/faqs-hcsp>

TENTATIVE AGREEMENTS

Additionally, several tentative agreements were reached. Regardless of the membership approving the contract or an arbitrator providing an arbitration award, the State's Negotiator stated she would honor the following tentative agreements at the point in time when the contract was passed by the Legislature.

Holidays

Add the word "classified" to allow temporary unclassified employees to get holiday pay.

Vacation Accrual for New Hires

The employer would have the discretion to credit new hires with prior private sector employment in a vacation eligible position. Current employees can request credit for prior private sector experience (last employer that provided vacation) be added to their vacation accrual rate (prior private sector experience must have occurred no more than four years (previously stated one year) years before becoming a state employee).

Vacancy, Reclassification, Filling of Positions

The employer would post vacancies for a minimum of seven (7) calendar days (a decrease from ten days).

Expense Reimbursement

Mileage reimbursement rate for motorcycles will increase from \$.15 to \$.30 per mile the first full pay period after the contract becomes effective.

Expand the metropolitan meal reimbursement amounts to locations outside the 48 contiguous states.

Insurance

Dental –Increase monthly premium from \$5.00 per month to \$13.50 per month. Add implants as a listed service with 80% coverage after deductible In-Network and 50% coverage Out-of-

Network. Increase the employee and family annual maximum from \$1,500.00 to \$2,000.00. Delete language which currently limits Orthodontia coverage to dependent children ages 8-19.

Health - Elimination of \$10 co-payment for Convenience Clinics and Online Care. Also modify In-Network coverages for Prosthetics, Prosthetic Repairs and Orthodontics from 50% coverage to 80% coverage. Delete phrase which limits orthodontic care for dependents.

Leaves of Absence

The Paid Parental Leave Memorandum of Understanding would become part of the contract. Add organ donation leave to list of statutory leaves.

Phased Retirement

An option for the employer to offer phased retirement would be added to the contract as a pilot.

Probationary Period

Change the probationary period from six months to twelve.

Seniority

Classification seniority could only be earned when working in a classification represented by the bargaining unit. This would discontinue language that allowed someone outside the bargaining unit to continue to accrue seniority for the last class served in an MGEC represented classification.

Discipline & Discharge

Increase potential discipline of 4-day reduction in vacation accrual to a 10-day limit.

Grievance Procedure

Willingness to participate in Advisory Mediation before arbitration.

Wages

Change minimum criteria for payout to Health Care Savings Plan from \$200 to \$500. Achievement Awards could also be given in offices with less than three engineers. Also note wage diversion of 1% wages to Health Care Saving Plan (above)

Appendix

Allow for use of vacation, sick and holiday utilization for employees in trial periods for employees under Connect 700 program working with those with disabilities.

***Side agreements:**

The parties also agreed to convene a meeting to discuss the issues of reimbursement for safety shoes [Policy 1410] and other safety equipment.

The parties agreed that the Advisory Mediation process, already used with other bargaining units, is available to the parties on a voluntary basis after a grievance has been appealed to MMB. MMB also agreed to have its LR Consultant attend a Step 1 grievance meeting at MnDOT to observe the process.

MGEC Executive Board's Recommendation

The reality is that the collective bargaining process is not about what you want or what you deserve. Rather, there are only two ways to get something in collective bargaining: get the employer to give it to you; or get an arbitrator to give it to you. Therefore, the decision before you, the members, is not whether we like this settlement or believe that it is what we deserve; but rather, whether the settlement represents the best the employer is willing to offer or is at least as good as what an arbitrator will award. The bargaining team believes that the answer to the first question is clearly "yes" – the State will not voluntarily give us anything more or different. We are not as sure about what an arbitrator might do. However, it is highly unlikely that an arbitrator would award anything worse than the State's offer.

MGEC believes that these changes reflect the interests of members which we've heard through meetings, e-mail, conversations and by survey. Why is MGEC leadership recommending this tentative agreement be approved?

- The option for some employees, those who supervise and are at the top step of their pay grid, to cash out Vacation to Deferred Compensation goes beyond "the pattern" most bargaining units received. It was a frequent request by many members. This benefit affects members of all classes. It only applies for contract period 2017-2019. In MMA such a trial period for a new benefit was followed up upon to make it a permanent benefit the next contract.
- Recent changes to the state budget (now with a small but growing deficit) significantly affect the outcomes achievable in arbitration. Winning on the merits of the case is harder if the employer makes a case they don't have funds.
- The Compensation Studies shows a deficit in compensation for engineers. It's likely that will still be true when entering future negotiations. Circumstances may be more suitable for arbitration in the future.
- Reaching a tentative agreement now enables the MGEC Contract to go before the legislature with other contracts.

In conclusion, the MGEC Executive Board recommends approval of this tentative agreement. The decision is now yours. Select the following link to vote now: [Voting Link](#)

Sincerely,

Julie Groetsch
MGEC Past President

Steve Kordosky
MGEC President