

LABOR AGREEMENT
ST. CLOUD MINNESOTA AREA

Between

ST. CLOUD SUBDIVISION
Central Minnesota Division
SMARCA, Inc.

And

LOCAL UNION NO. 10
International Association of Sheet Metal, Air, Rail and
Transportation Workers

Effective
May 2, 2019 - April 30, 2022

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STANDARD FORM OF UNION AGREEMENT
SHEET METAL, ROOFING, VENTILATING AND AIR CONDITIONING
CONTRACTING DIVISIONS OF THE CONSTRUCTION INDUSTRY

This Agreement is entered into this 2nd day of May, 2019, by and between the ST. CLOUD SUBDIVISION of the Central Minnesota Division of SMARCA, Inc., hereinafter referred to as the Employer, and Local Union No. 10 of the International Association of Sheet Metal, Air, Rail and Transportation Workers (SMART), hereinafter referred to as the Union, for Becker, Benton, Douglas, Grant, Mahnomen, Mille Lacs, Morrison, Ottertail, Pope, Sherburne, Stearns, Stevens, Todd and Traverse Counties.

**ARTICLE I
JURISDICTION**

SECTION 1. This Agreement covers the rates of pay and conditions of employment of all employees of the Employer engaged in but not limited to the (a) manufacture, fabrication, assembling, handling, erection, installation, dismantling, conditioning, adjustment, alteration, repairing and servicing of all ferrous or nonferrous metal work and other materials used in lieu thereof, and of all air veyor systems and air handling systems regardless of material used including the setting of all equipment and all reinforcement in connection therewith; (b) all lagging over insulation and all duct lining; (c) testing and balancing of all air-handling equipment and duct work; (d) the preparation of all shop and field sketches used in fabrication and erection, including those taken from original architectural and engineering drawings or sketches, or the BIM engineering and collision checking process, and (e) metal roofing.

**ARTICLE II
SUBCONTRACTING**

SECTION 1. No Employer shall subcontract or assign any of the work described herein which is to be performed at a job site to any contractor, subcontractor or other person or party who fails to agree in writing to comply with the conditions of employment contained herein, including without limitation, those relating to union security, rates of pay and working conditions, hiring and other matters covered hereby for the duration of the project.

SECTION 2. Subject to other applicable provisions of this Agreement, the Employer agrees that when subcontracting for prefabrication of materials covered herein, such prefabrication shall be subcontracted to fabricators who pay their employees engaged in such fabrication not less than the prevailing wage for comparable sheet metal fabrication, as established under the provisions of this Agreement.

ARTICLE III ASSIGNMENT OF WORK

SECTION 1. The Employer agrees that none but journeyman, apprentice, and pre-apprentice sheet metal workers shall be employed on any work described in Article I; and, further, for the purpose of proving jurisdiction, agrees to provide the Union with written evidence of assignment on the Employer's letterhead for certain specified items of work to be performed at a job site prior to commencement of work at the site. A list of such specific items, which may be revised from time to time as agreed to by and between SMACNA and SMART, shall be provided to the Employer.

ARTICLE IV UNION REFERRAL

The Union agrees to furnish upon request by the Employer, duly qualified journeyman, apprentice, and pre-apprentice sheet metal workers in sufficient numbers as may be necessary to properly execute work contracted for by the Employer in the manner and under the conditions specified in this Agreement. Employment shall be without discrimination because of race, color, creed, age, religion, national origin, sex, disability, marital status, status with regard to public assistance, membership or activity in a local civil rights commission, sexual orientation, or other class protected by law.

When a request for manpower is given to Local 10, the Local will provide the names of five individuals eligible for hire. Contractors will be allowed to offer employment to any of the five, but if they bypass any individuals on the list they will be required to submit a letter to Local 10 indicating their desire to bypass eligible employees. If all five names are bypassed, additional names will be provided in groups of five.

ARTICLE V UNION SECURITY

SECTION 1. The Employer agrees to require membership in the Union, as a condition of continued employment of all employees performing any of the work specified in Article I of this Agreement, within eight (8) days following the beginning of such employment or the effective date of this Agreement, whichever is the later, provided the Employer has reasonable grounds for believing that membership is available to such employees on the same terms and conditions generally applicable to other members and that membership is not denied or terminated for reasons other than the failure of the employee to tender the periodic dues and initiation fee uniformly required as a condition of acquiring or retaining membership.

SECTION 2. If, during the term of this Agreement, the Labor-Management Relations Act of 1947 shall be amended by Congress in such manner as to reduce the time within which an employee may be required to acquire union membership, such reduced time limit shall become immediately effective instead of and without regard to the time limit specified in Section 1 of this Article.

SECTION 3. The provisions of this Article shall be deemed to be of no force and effect in any state, to the extent the making or enforcement of such provision is contrary to law. In any state where the making or enforcement of such provision is lawful only after compliance with certain conditions precedent, this Article shall be deemed to take effect as to involved employees immediately upon compliance with such conditions.

ARTICLE VI WORK HOURS

SECTION 1. The regular working day shall consist of eight (8) hours labor in the shop or on the job between eight (8:00) a.m. and five (5:00) p.m., and the regular working week shall consist of five (5) consecutive eight (8) hour days labor in the shop or on the job beginning with Monday and ending with Friday of each week. All full time or part time labor performed during such hours shall be recognized as regular working hours and paid for at the regular hourly rate. Except as otherwise provided pursuant to Section 4 of this Article, all work performed outside the regular working hours and performed during the regular work week shall be at one and one-half (1-1/2) times the regular rate. (See Addendum #2)

Employees shall be at the shop or project site at scheduled starting time each day and shall remain until quitting time.

SECTION 2. New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day shall be recognized as holidays. Where the holiday falls on a Saturday, the Friday preceding it will be recognized as the holiday, and where the holiday falls on a Sunday, the following Monday will be recognized as the holiday. All work performed on holidays and Sundays shall be paid as follows: Two (2) times the regular rate.

The overtime rate of pay for all service work shall be one and one-half (1½) times the regular rate of pay. Service work performed on holidays shall be paid at two (2) times the regular rate of pay. The holiday premium applies to the actual day of the holiday and not the recognized day.

SECTION 3. It is agreed that all work performed outside the regular working hours during the regular work week and on Sundays and holidays shall be performed only upon notification by the Employer to the local Union in advance of scheduling such work. Preference for

overtime, Sunday and holiday work shall be given to employees on the job on a rotation basis so as to equalize such work as nearly as possible.

SECTION 4. Shift work and the pay and conditions are to be established by the local parties or by the National Joint Adjustment Board on request of either party, if not locally provided.

ARTICLE VII TRAVEL

SECTION 1. When employed in a shop or on a job within the limits of the free zone, employees shall be governed by the regular working hours specified herein and shall provide for themselves necessary transportation within the said limits from home to shop or job at the starting time and from shop or job to home at quitting time, and the Employer shall provide or pay for all necessary additional transportation during working hours. (See Addendum #3)

SECTION 2. When employed outside of the limits specified in Section 1 of this Article, and within the jurisdiction of the Union, employees shall provide transportation for themselves which will assure their arrival at the limits specified in Section 1 of this Article at the regular starting time, and the Employer shall provide or pay for all additional transportation for such jobs, including transportation from such job back to the limits specified in Section 1 of this Article, which will assure arrival at such limits at quitting time. As an alternative to the foregoing method, travel expense may be paid by a zone or other method of payment. If this alternative method is used, it will be provided in a written addendum attached hereto.

ARTICLE VIII WAGES/BENEFITS

SECTION 1. The minimum rate of wages for journeyman sheet metal workers covered by this Agreement when employed in a shop or on a job within the jurisdiction of the Union to perform any work specified in Article I of this Agreement, shall be (See Addendum #9) per hour, except as hereinafter specified in Section 2 of this Article.

SECTION 2. On all work specified in Article I of this Agreement, fabricated and/or assembled by journeyman sheet metal workers, apprentices and/or pre-apprentices within the jurisdiction of this Union, or elsewhere, for erection and/or installation within the jurisdiction of any other local union affiliated with SMART, whose established wage scale is higher than the wage scale specified in this Agreement, the higher wage scale of the job site union shall be paid to the journeyman, apprentice, and/or pre-apprentice employed on such work in the home shop or sent to the job site.

SECTION 3. The provisions of Section 2 of this Article, Section 2 of Article II and Section 1 of Article III shall not be applicable to the manufacture for sale to the trade or purchase of the following items:

1. Ventilators
2. Louvers
3. Automatic & Fire Dampers
4. Radiator & Fire Dampers
5. Fabricated Pipe & Fittings for residential installations and light commercial work as defined in the locality
6. Mixing (Attenuation) Boxes
7. Plastic Skylights
8. Air Diffusers, Grilles, Registers
9. Sound Attenuators
10. Chutes
11. Double-wall Panel Plenums
12. Angle Rings

SECTION 4. The provisions of Section 2 of this Article shall not be applicable to AIR POLLUTION CONTROL SYSTEMS fabricated for the purpose of removing air pollutants, excluding air conditioning, heating and ventilating systems. In addition, the provisions of Section 2 of this Article will not be applicable to the manufacture of spiral pipe and fittings for high pressure systems.

SECTION 5. Except as provided in Sections 2 and 6 of this Article, the Employer agrees that journeyman sheet metal workers hired outside of the territorial jurisdiction of this Agreement shall receive the wage scale and working conditions of the local agreement covering the territory in which such work is performed or supervised.

SECTION 6. When the Employer has any work specified in Article I of this Agreement to be performed outside of the area covered by this Agreement and within the area covered by another agreement with another union affiliated with SMART, and qualified sheet metal workers are available in such area, he may send no more than two (2) sheet metal workers per job into such area to perform any work which the Employer deems necessary, both of whom shall be from the Employer's home jurisdiction. All additional sheet metal workers shall come from the area in which the work is to be performed. Journeyman sheet metal workers covered by this Agreement who are sent outside of the area covered by this Agreement shall be paid at least the established minimum wage scale specified in Section 1 of this Article but in no case less than the established wage scale of the local agreement covering the territory in which such work is performed or supervised, plus all necessary transportation, travel time, board and expenses while employed in that area, and the Employer shall be otherwise governed by the established working conditions of that local agreement. If employees are sent into an area where there is no local agreement of SMART covering the area, then the minimum conditions of the home local Union shall apply.

SECTION 7. In applying the provisions of Sections 2, 5, and 6 of this Article VIII, the term "wage scale" shall include the value of all applicable hourly contractual benefits in addition to the hourly wage rate provided in said Sections.

SECTION 8. Welfare benefit contributions shall not be duplicated. When sheet metal workers are employed temporarily outside the jurisdiction of their home local Union, the parties signatory to this Agreement agree to arrange through the Health & Welfare Fund to transmit health and welfare contributions made on behalf of the employee to the Health & Welfare Fund in the employee's home local Union.

The parties to this Agreement agree to establish a system for continuing health and welfare coverage for employees working temporarily outside the jurisdiction of the local collective bargaining agreement when health and welfare contributions are transmitted on their behalf by trust funds from other areas.

SECTION 9. Wages at the established rate specified herein shall be paid weekly in the shop, by direct deposit, or on the job at or before quitting time on an agreed payday of each week, and no more than five (5) days' pay will be withheld. However, employees when discharged shall be paid in full unless they are being paid via direct deposit.

SECTION 10. Journeyperson sheet metal workers who report for work by direction of the Employer and are not placed at work, shall be entitled to two (2) hours' pay at the established rate. This provision, however, shall not apply under conditions over which the Employer has no control.

SECTION 11. Each Employer covered by this Agreement shall employ at least one (1) journeyperson sheet metal worker who is not a member of the firm on all work specified in Article I of this Agreement.

ARTICLE IX TOOLS & TRANSPORTATION

SECTION 1. Journeymen, apprentice, and pre-apprentice sheet metal workers covered by this Agreement shall provide for themselves the following tools:

Tool box or pail	Regular screwdriver	Philips screwdriver
Crescent wrench	Tinner's hammer	Left snip
Scratch awl	Claw Hammer	25' Tape measure
Right snip	Bull snip	Duct Stretcher

Dividers	Pliers	Utility knife
Torpedo level	Vise grip	Drive bender
Hand seamer	Pop rivet gun	Marking gauge / Scribing Tool
Tri-square	Nylon banding tool	
Tool pouch	Whitney punch set	

SECTION 2. Journeyperson, apprentice and pre-apprentice sheet metal workers covered by this Agreement shall not be permitted or required as a condition of employment to furnish the use of an automobile or other conveyance to transport workers, tools, equipment, or materials from shop to job, from job to job, or from job to shop; facilities for such transportation are to be provided by the Employer. This provision shall not restrict the use of an automobile or other conveyance to transport its owner and personal tools from home to shop or job at starting time or from shop or job to home at quitting time.

ARTICLE X APPRENTICESHIP

SECTION 1. All duly qualified apprentices shall be under the supervision and control of a Joint Apprenticeship Committee composed of eight (8) members, four (4) of whom shall be selected by the Employer, and four (4) by the Union. Said Joint Apprenticeship Committee shall formulate and make operative such rules and regulations as they may deem necessary and which do not conflict with the specific terms of this Agreement, to govern eligibility, registration, education, transfer, wages, hours, and working conditions of duly qualified apprentices and the operation of an adequate apprentice system to meet the needs and requirements of the trade. Said rules and regulations, when formulated and adopted by the parties hereto, shall be recognized as part of this Agreement.

SECTION 2. The Joint Apprenticeship Committee designated herein shall serve for the life of this Agreement, except that vacancies in said Joint Apprenticeship Committee caused by resignation or otherwise, may be filled by either party hereto, and it is hereby mutually agreed by both parties hereto that they will individually and collectively cooperate to the extent that duly qualified apprentices be given every opportunity to secure proper technical and practical education experience in the trade, under the supervision of the Joint Apprenticeship Committee.

SECTION 3. It is hereby agreed that the Employer shall apply to the Joint Apprenticeship Committee, and the Joint Apprenticeship Committee shall grant apprentices, on the basis of one (1) apprentice for each four (4) journeypersons regularly employed throughout the year; provided, however, that the ratio for Employers engaged in solar, retrofit or energy-related work shall be one (1) to three (3).

(See Addenda #15 and #16)

SECTION 4. All applicants for apprenticeship shall be at least seventeen (17) years of age and each apprentice shall serve an apprenticeship of five (5) years, and such apprentices shall not be put in charge of work on any job and shall work under the supervision of a journeyperson until apprenticeship terms have been completed and they have qualified as journeypersons.

SECTION 5. A graduated wage scale for apprentices shall be established and maintained on the percentage basis of the established wage rate of journeyperson sheet metal workers as set forth in Addenda #15 and #16.

ARTICLE XI EFFECTIVE DATES

SECTION 1. This Agreement and Addenda 1 through 26 attached hereto shall become effective on May 2, 2019, and remain in full force and effect until the 30th day of April, 2022 and shall continue in force from year to year thereafter unless written notice of reopening is given not less than ninety (90) days prior to the expiration date. In the event such notice of reopening is served, this Agreement shall continue in force and effect until conferences relating thereto have been terminated by either party; provided, however, that the contract expiration date contained in this Section shall not be effective in the event proceedings under Addendum #14 are not completed prior to that date. In that event, this Agreement shall continue in full force and effect until modified by order of the National Joint Adjustment Board or until the procedures under Addendum #14 have been otherwise completed.

SECTION 2. If, pursuant to federal or state law, any provision of this Agreement shall be found by a court of competent jurisdiction to be void or unenforceable, all of the other provisions of this Agreement shall remain in full force and effect.

SECTION 3. Notwithstanding any other provision of this Article, or any other Article of this Agreement, whenever an amendment to the Standard Form of Union Agreement shall be adopted by the National Joint Labor Relations Adjustment Committee, any party to this Agreement, upon the service of notice to all other parties hereto, shall have this Agreement reopened thirty (30) days thereafter, for the sole and only purpose of attempting to negotiate such amendment or amendments into this Agreement for the duration of the term hereof. There shall be no strike or lockout over this issue.

In witness whereof, the parties hereto affix their signatures this 2nd day of May, 2019.

THIS STANDARD FORM OF UNION AGREEMENT HAS PROVIDED FOR THE INCLUSION OF PRE-APPRENTICES AND A REDUCTION OF THE WAGE SCHEDULE FOR NEW APPRENTICES. THE PURPOSE OF THIS IS TO MAKE CONTRACTORS MORE COMPETITIVE WITH NONUNION COMPETITION. TO ACHIEVE THAT OBJECTIVE, EMPLOYERS AGREE TO MINIMIZE MULTIPLE MARKUPS.

ST. CLOUD SUBDIVISION OF THE
CENTRAL MINNESOTA DIVISION OF
SMARCA, INC.

LOCAL UNION NO. 10 OF THE
INTERNATIONAL ASSOCIATION OF
SHEET METAL, AIR, RAIL AND
TRANSPORTATION WORKERS

By 
John W. Quarnstrom
Chief Executive Officer

By 
Steve Raatikka
Business Representative

By 
Matt Fairbanks
Business Manager

EMPLOYER:

Firm _____

By _____

Its _____

I hereby agree to abide by the St Cloud Labor Agreement negotiated between the International Association of Sheet Metal, Air, Rail and Transportation Local 10 and the St. Cloud Subdivision of the Central Minnesota Division of SMARCA Inc. Effective May 2, 2019 – April 30, 2022.

Company name

Officer Signature / Title

Address

Print name / title

City/State/Zip

Date

Union Representative

Date

Print name

ADDENDUM TO ST. CLOUD AREA CONTRACT

#1 The Standard Form of Union Agreement (A-3-83) will be used, with noted additions or deletions in Addendum

#2 Upon mutual consent, the regular work day may consist of up to ten (10) hours of labor between the hours of six (6:00) a.m. and six (6:00) p.m. (not including lunch). The applicable overtime rate shall be paid after ten (10) hours per day, Monday through Friday, and after forty (40) hours per week, Monday through Friday (Article VI, Section 1).

#3 A forty (40) mile free zone around the employee's home and from the St. Cloud City Hall (or the City Hall in the town where the shop is located in the case of contractors located out of the immediate St. Cloud area) is established. Both free zones shall be expanded to fifty (50) miles when the Employer provides transportation. Both free zones shall be reduced to thirty (30) miles when pulling an employer's trailer. No travel time or mileage is required to be paid to employees traveling within either free zone, except between jobs during the regular working hours.

Beyond the free zone, travel time will be paid at the regular rate of pay for time actually spent traveling. As an alternative, when employed outside the free zone, the Employer may require the employee to arrive and depart from the job site at the regular starting and quitting times, in which case the Employer shall pay the employee travel time at the rate of forty cents (\$.40) per mile from the boundary of the free zone to the job site and the same from the job site to the boundary of the free zone. This is in addition to any transportation expense in #4 below, where the employee furnishes his own transportation.

#4 Mileage will be paid to an employee furnishing transportation at the Employer's request. Mileage reimbursement shall be paid at the IRS approved rate in effect at the time a new wage rate sheet is issued. The current mileage rate is fifty-eight cents (\$.58) per mile.

#5 Subsistence, where required, shall be at the rate of two hundred and twenty-eight dollars (\$228.00) per calendar week. Subsistence for less than five (5) on-site working days shall be at the rate of fifty-seven dollars (\$57.00) per day for each on-site working day of at least eight (8) hours.

On May 4, 2020 the subsistence rate will increase to \$60.00 per day and \$240.00 per week. On May 3, 2021 the subsistence rate will increase to \$64.00 per day and \$256.00 per week. One additional day of subsistence shall be paid each week when the job site is located more than two hundred fifty (250) miles from the center of the shop free zone. In cases where sheet metal employees claim they cannot cover expenses with this amount, they will be paid reasonable expenses upon turning in an itemized account with receipts to the employer. The Employer reserves the right to pay either subsistence or travel time for any job located outside the free zone.

When subsistence is being paid, travel time and mileage shall be paid to cover travel to the jobsite and back one time and payment shall be made on the first payroll check after the employee reports to the jobsite. When an interruption is directed by the Employer, the employee will be entitled to receive travel time and mileage reimbursement again if sent back to the same job. When an interruption is directed by the owner, owner's representative, or under conditions over which the Employer has no control, no additional travel or mileage shall be owed. No mileage shall be owed if the Employer provides transportation.

#6 Apprentices going out of town to work at the Employer's request shall have mileage and travel time paid both ways by the Employer to return for school classes, unless excused by the Apprentice Committee from classes.

#7 No shop owner shall work on job sites. If the company has more than one owner, only one may work in the shop.

#8 Each shop, regardless of the number of men employed, shall be entitled to apply to the Apprenticeship Committee for an apprentice.

#9 Journeyperson Wages and Benefits:

COMMERCIAL	May 2, 2019	May 4, 2020**	May 3, 2021**
Base Wage	\$39.77	+\$2.30**	+\$2.30**
<i>Deduction: Savings Account</i> (\$0.50)			
<i>Organizing Funds</i> (\$.83)			
Sheet Metal Local #10 Benefit Fund	\$10.06		
Sheet Metal Workers' National Pension Fund	\$5.94		
Sheet Metal Workers' Local 10 Pension Fund	\$1.55		
Sheet Metal Local 10 Supplemental Retirement Fund***	\$6.00		
International Training Institute	\$.12		
Central Minnesota Area Sheet Metal Joint Apprenticeship and Training Fund	\$.57		
National Energy Management Institute Committee	\$.03		
Sheet Metal Workers International Scholarship Fund	\$.01		
Sheet Metal Occupational Health Institute Trust	\$.02		
Fair Contracting Foundation of Minnesota	\$.02		
Sheet Metal and Roofing Industry Fund of the North Central Region (Central Minn Division)	\$.14		
Sheet Metal and Air Conditioning Contractors' National Industry Fund of the United States	<u>\$.12</u>		
Total	\$64.35	\$66.65	\$68.95

** These amounts will be allocated prior to date of increase.

*** For all participants in the Sheet Metal #10 SAFE Plan, fifty percent of the Supplemental Retirement Fund contribution amount will be deposited in a participant's SAFE Plan account in any month in which the balance of the SAFE account is less than \$8,000.

RESIDENTIAL	May 2, 2019	May 4, 2020**	May 3, 2021**
Base Wage	\$27.84	+\$**	+\$**
<i>Deduction: Savings Account (\$0.50)</i>			
<i>Organizing Funds (\$0.83)</i>			
Sheet Metal Local #10 Benefit Fund	\$10.06		
Sheet Metal Workers' National Pension Fund	\$4.16		
Sheet Metal Workers' Local 10 Pension Fund	\$1.09		
Sheet Metal Local 10 Supplemental Retirement Fund***	\$4.20		
International Training Institute	\$12		
Central Minnesota Area Sheet Metal Joint Apprenticeship and Training Fund	\$.57		
National Energy Management Institute Committee	\$.03		
Sheet Metal Workers International Scholarship Fund	\$.01		
Sheet Metal Occupational Health Institute Trust	\$.02		
Fair Contracting Foundation of Minnesota	\$.02		
Sheet Metal and Roofing Industry Fund of the North Central Region (Central Minn Division)	\$.14		
Sheet Metal and Air Conditioning Contractors' National Industry Fund of the United States	<u>\$.12</u>		
Total	\$48.38	\$	\$

** These amounts will be allocated prior to date of increase.

*** For all participants in the Sheet Metal #10 SAFE Plan, fifty percent of the Supplemental Retirement Fund contribution amount will be deposited in a participant's SAFE Plan account in any month in which the balance of the SAFE account is less than \$8,000.

(A) PAYROLL DEDUCTIONS

Section 1. For each hour worked that is covered by this Agreement, employers shall be obligated to deduct from the wages of each employee performing such work, the amount specified in section 2 and 3, for organizing contributions and Financial Savings Account. These deductions are made by the employers after all withholding taxes including FICA are deducted.

Section 2. FINANCIAL SAVINGS ACCOUNT. Fifty cents (\$.50) per hour for each hour worked by journeyman and apprentice sheet metal workers covered by this Agreement shall be deducted from the taxable base pay and shall be paid into a Financial Savings Account at the Liberty Savings Bank in Waite Park, MN by the 15th of the month following the contributing

month. The Union shall be allowed to change the financial institution so long as there is no additional cost to the Employer. A copy of the monthly Financial Savings Account Remittance Form shall be submitted to the Central Minnesota Area Sheet Metal Local No. 10 office on a monthly basis.

Section 3. ORGANIZING FUND. Every Employer signatory to this Agreement hereby agrees to deduct, from the Taxable Base Wage Rate of all employees covered by this Agreement, an organizing fund/dues assessment for each hour worked in the amount of eighty-three cents (\$.83) for journeypersons and apprentices and thirty cents (\$.30) for pre-apprentices. This assessment shall be established and administered solely by the Union to promote, support, and improve employment opportunities for members through organizing, market expansion, regulatory initiative, and to include any and all other legitimate purposes approved by the membership. Payments pursuant to this Addendum shall be made in accordance with Addendum #13 herein.

(B) LOCAL TRAINING FUND. A Local Training Fund shall be established for the purpose of training and upgrading the skills of journeypersons and apprentices. Each Employer shall contribute the sum of fifty-seven cents (\$.57) for each hour worked by a journeyperson or apprentice sheet metal worker covered by this Agreement to the Central Minnesota Area Sheet Metal Joint Apprenticeship and Training Fund. Each Employer shall contribute the sum of five cents (\$.05) for each hour worked by a pre-apprentice covered by this Agreement. Said Fund shall be administered pursuant to the provisions of the applicable Agreement and Declaration of Trust. Said money shall be used solely for training journeypersons and apprentices in the Central Minnesota area.

(C) NATIONAL BENEFIT FUNDS.

Section 1. JOURNEYMEN, APPRENTICES AND PRE-APPRENTICES. All employers covered by this Agreement shall contribute into the Sheet Metal Workers' National Pension Fund, International Training Institute (ITI), National Energy Management Institute Committee (NEMIC), Sheet Metal Workers International Scholarship Fund ("Scholarship"), and the Sheet Metal Occupational Health Institute Trust (SMOHIT), in the amount per hour specified in Addendum #9 (C) and the applicable wage sheet for each hour worked by all journeyman, apprentice, and pre-apprentice employees covered by this Agreement.

Section 2. The Parties to this Agreement have adopted the "First Alternative Option" under the Sheet Metal Workers' National Pension Fund's (NPF) Funding Improvement Plan (FIP) Schedule, as in effect when this Agreement is entered into and as that Option is amended from time to time.

However, there shall be no incorporation of or agreement to any term requiring Employer payments greater than the hourly contribution specified in this Agreement, actual interest and liquidated damages resulting from delinquent contributions and withdrawal liability provisions included in applicable federal law.

The Employer will contribute to the NPF, ITI, NEMIC, Scholarship and SMOHIT Funds at the hourly rates set forth in this Agreement, in accordance with the First Alternative Option and the NPF's Plan and Trust Documents (copies of these documents (including the updated FIP and FIP Schedule) have been made available to the parties and are available at www.smwnpf.org). The NPF's FIP Schedule (which includes the First Alternative Option) and Trust Document, as amended from time to time, are incorporated into this Agreement; the Employer hereby agrees to be bound as a party by all terms and provisions of the Trust Document, as amended.

The Employer will pay its required monthly NPF ITI, NEMIC, Scholarship, and SMOHIT contributions no later than the 20th day of the month, after the month in which the Covered Employment was performed. Failure to pay on time and in full will constitute a delinquency and will subject the Employer to applicable interest, liquidated damages, fees and costs. The Employer shall transmit contributions and remittance data electronically via the National Benefit Funds' secure online Internet Payment System ("IPS"), accessible at www.smwnbf.org (contact the IPS Support Team via email at ips@smwnbf.org or by calling 800- 231-4622).

If the Employer is required to secure a Guaranty or Performance Bond, such bond will guarantee the payments required to be paid by the Employer pursuant to the terms of this Agreement to the following funds, Sheet Metal Workers' National Pension Fund, NEMIC, SMOHIT, ITI. Employers shall furnish said bond to the Sheet Metal Workers' National Pension Fund within fifteen (15) days of the execution of this Agreement. The bond as required under the provisions of this Section shall remain in full force and effect until the termination of this Agreement and furnished, at least on an annual basis.

Section 3. SCHOLARSHIP FUND. Each Employer covered by this Agreement shall contribute the sum of one cent (\$.01) per hour for each hour worked by all Journeymen and Apprentice sheet metal workers covered by this Agreement to the Sheet Metal Workers' Scholarship Fund(s), either Local or National at the Union's option, for each hour worked by the journeyman and apprentice employees covered by this Agreement. These contributions shall be transmitted pursuant to Addendum #13.

Section 4. NEMIC FUND. The contribution to NEMIC may, in the sole discretion of the Union and after written notice to the employers, be removed by the Union in the event the Sheet Metal Workers International Association changes its constitution so that contributions to NEMIC are no longer required by the Union. In the event the constitution is changed, and the Union removes the contribution to NEMIC, the Union may allocate the NEMIC contributions in any manner it desires.

(D) LOCAL BENEFIT FUNDS AND INDUSTRY FUND

JOURNEYMEN AND APPRENTICES. All employers covered by this Agreement shall contribute into the Sheet Metal Workers Local No. 10 Pension Fund, the Sheet Metal Workers Local No. 10 Supplemental Retirement Fund (with a portion of that contribution being deposited in the individual accounts in Sheet Metal #10 SAFE Plan for participants with less than an \$8,000.00 cash balance), the Sheet Metal Local #10 Benefit Fund, Central Minnesota Area Sheet Metal Joint Apprenticeship and Training Fund, the Fair Contracting Foundation of Minnesota, the Sheet Metal and Roofing Industry Fund of the North Central Region (Central Minnesota Area Division), and the Sheet Metal and Air Conditioning Contractors' National Industry Fund of the United States in the amount per hour specified in Addendum #9 and the applicable wage sheet, for each hour worked by journeyman and apprentice employees covered by this Agreement.

PRE-APPRENTICES. All employers covered by this Agreement shall contribute into the Central Minnesota Area Sheet Metal Joint Apprenticeship and Training Fund and the Fair Contracting Foundation of Minnesota in the amount per hour specified in Addendum #9 and the applicable wage sheet for each hour worked by pre-apprentice employees and covered by this Agreement. Further, all employers covered by this Agreement shall contribute into the Sheet Metal and Roofing Industry Fund of the North Central Region (Central Minnesota Division) in the amount of \$.14 for the first year that this Agreement is in effect and in the amount specified in the applicable wage sheet for each subsequent year of this Agreement.

Contributions to the Sheet Metal Local #10 Benefit Fund may be made by the Employer upon the Employer's election. However, upon completion of 1000 work hours as a pre-apprentice, all employers shall make hourly contributions to the Sheet Metal Local 10 Benefit Fund or shall insure the pre-apprentice under the company's office health and welfare plan at no cost to the pre-apprentice.

The Funds identified in Addendum #9 of this Article shall be administered pursuant to the provisions of the applicable Agreements and Declarations of Trust executed jointly by equal representation of the Union and representation of the Association and shall be considered as a part hereof, as if set forth in detail.

Journeyman, Foreman, General Foreman, and apprentices may individually elect to participate in the 401K feature of the *Sheet Metal Local 10 Supplemental Retirement Fund* by completing a tax deferred contribution authorization form approved by the Fund Trustees directing the Employer to reduce the employee's taxable hourly pay up to the maximum amount allowed by the Plan. Contribution rates shall be determined by the Trustees and shall not be less than one dollar and no more than three (3) options. Employees may change their participation once per year starting with the first pay period after January 1st or upon a new hire at an Employer. An Employer may elect to accept an authorization from an employee other than at the scheduled times. Employee tax-deferred contributions shall be reported in accordance with Addendum #13 and in the same manner

as Employers are reporting with respect to regular contributions to the Supplemental Pension Fund or as the Trustees of the Fund shall direct. Employees that elect to have tax-deferred contributions transferred into the Fund, must do so in writing at least ten (10) days prior to the stated election date, other than initial employment or if an employer elects to accept an authorization change. All tax-deferred contribution requests must be filed by the employee with the employer who will then provide a copy to the Fund Office as directed by the Fund Trustees.

LOCAL INDUSTRY FUND. As set forth herein, all employers covered by this Agreement shall contribute fourteen cents (\$.14) to the Sheet Metal & Roofing Industry Fund of the North Central Region/Central Minnesota Division. Each Employer covered by the Agreement shall contribute the sum of twelve cents (\$.12) per hour for each hour worked by a journey person or apprentice sheet metal worker covered by this Agreement to the Sheet Metal and Air Conditioning Contractors' National Industry Fund of the United States (IFUS) for the purposes specified by the applicable Agreement and Declaration of Trust, which provides for the establishment and administration of the Industry Fund. SMARCA shall have the right to unilaterally increase the contribution rate to these Funds during the term of this Agreement as set forth in Section Addendum #9 herein. In the event SMARCA increases the contribution rate to these Funds, such increase will be reflected in the applicable wage sheet. Any such increase would be in addition to the Total Package wage increase set forth in Addendum #9.

Contributions provided for in this Section of this Article will be used to promote programs of industry education, training, negotiation and administration of collective bargaining agreements, research and promotion, such programs serving to expand the market for the services of the Sheet Metal Industry, improve the technical and business skills of the Employers, stabilize and improve Employer-Union relations, and promote support, and improve the employment opportunities for employees. No part of any such payments, however, shall be used for any other purpose except as expressly specified above.

The Fund shall furnish to the Business Manager of the Union, not less often than semiannually, written reports describing in reasonable detail the nature of activities in which it is engaged or which it supports directly or indirectly with any of its funds. One (1) time per year, the Fund shall include in such written report, a statement attested by a certified public accountant and containing its balance sheet and detailed statement of receipts and disbursements. Further specific detailed information in regard to Fund activities or its receipts and/or disbursements shall be furnished to the Business Manager of the local Union upon his written request.

Grievances concerning use of Local Industry Fund monies to which an Employer shall contribute for purposes prohibited under this section or for violations of other Subsections of this Section, shall be handled under the provisions of Addendum #14 of this Agreement. The National Joint Adjustment Board shall be authorized to impose any remedial order for violation of this

Section, including termination of the Employer's obligation to contribute to the Local Industry Fund.

(E) INCREASES OR DECREASES. Increases or decreases may be allocated to or from various Funds at the recommendation of Trustees, if the need for additional funds is established or if the present rate of contributions is not needed. The Union shall not reduce or eliminate contributions to any pension fund if it could trigger withdrawal liability or excise taxes for any Employer.

In the event employer assessments or excise taxes are required to be paid to any pension fund (or the IRS in the case of an excise tax) for work performed under this Labor Agreement, the Employer shall be entitled to make an equal offset to the taxable base rate. As an example, if the Employer is required to pay an assessment of twenty-five cents (\$.25) per hour to the National Pension Fund, the Employer shall deduct an equal amount from the employee's taxable base pay.

(F) HAZARD PAY. On all work performed seventy-five (75) feet or more above the ground in a swing seat, swing stage, or any other manpower conveyance or on any work performed on a temporary platform seventy-five (75) feet or more above a permanent platform and on all work as described by the OSHA definition of a permit-required confined space, a seventy-five cent (\$.75) per hour premium over the current rate of pay shall be paid.

(G) HEALTH FUND.

If during the course of this Agreement the Trustees of the Sheet Metal #10 Benefit Fund deem it to be financially responsible to expand Plan B coverage to additional areas and/or classifications, the expansion will take place at the direction of the Trustees of the Benefit Fund.

In the event that a National Health Insurance Program is enacted, the Employer contribution to the current Health Plan shall be applied to any cost incurred by the Employer and/or the employees covered hereunder in connection with such National Health Plan.

If the current Employer contribution exceeds the cost of a National Health Plan, at the discretion of the employees, the difference shall become a contribution to either a supplemental health and welfare insurance plan and/or one of the existing Pension Plans.

(H) FAIR CONTRACTING FOUNDATION OF MN. All Employers covered by this Agreement shall contribute the amount per hour specified in the wage rate sheet and in Addendum #9, to the Fair Contracting Foundation of Minnesota Trust Fund for each hour worked. The FCF shall function in accordance with a Trust Fund established solely and exclusively for the FCF by a separate Agreement and Declaration of Trust for the Fair Contracting Foundation of Minnesota, and amendments thereto, and any of its governing documents. The terms of the FCF Agreement and Declaration of Trust and all other governing documents are fully incorporated into this Article by reference. In the event participation in the FCF is terminated the total wage package will be reduced by one cent (\$.01) and the other one cent (\$.01) may be allocated as the Union chooses.

#10 FOREMEN.

Four (4) sheet metal employees on a job site shall require that one (1) employee be designated as foreman and said foreman shall receive three dollars and five cents (\$3.05) per hour above the regular journeyman wage scale. A crew of twelve (12) sheet metal employees on a job site shall have one (1) foreman and one (1) general foreman; for each additional seven (7) sheet metal employees thereafter, an additional foreman shall be added. The general foreman shall receive the effective foreman rate plus one dollar (\$1.00) per hour.

#11 SHIFT WORK.

Shift work shall be paid at one and one-fourth (1¼) times the regular rate. To receive shift work pay, the shift must consist of eight (8) hours and start after regular working hours. The Union is to be notified when shift work is contemplated.

#12 FIRST AID CLASSES.

Classes on first aid and job safety will be held. It is agreed attendance will be required whenever possible.

#13 PAYMENTS DUE TO THE LOCAL BENEFIT FUNDS AND INDUSTRY FUNDS.

The contributions to the Local and Industry Funds designated in Addendum #9 of this Agreement shall be paid in accordance with this Agreement as well as the applicable Trust Agreements all amendments thereto, as well as the administrative rules promulgated from time to time by the Trustees of said Funds, as fully as if the same were set forth in detail herein. Further, the contributions are to be remitted as required by the Control Board.

Contributions to the Local and Industry Funds designated in Addendum #9 (D) shall be made monthly in the form of a single payment payable to a suitable collection agency, bank or other institution designated by the parties. Payments to be made by the employer shall constitute fulfillment of the employer's obligation to make contributions to the Funds herein provided. Failure to make such payments in full, when and as due, constitutes a breach of contract on the

part of such employer and relief therefore shall be available as herein provided. Any administrative charge for this service shall be borne by the employer.

The employer shall make available to the Control Board, the Funds or their designated Auditor, any and all records of the covered employees that the said Funds may require in connection with the sound and efficient operation of said Funds.

The contribution payments required by this Agreement are due in the Funds Office on the tenth (10th) day of the following month and employers whose contributions are not received by the Funds Office within five (5) days after the 10th, or the first working day thereafter, shall be deemed delinquent.

Delinquent employers shall become subject to a liquidated damages assessment equal to ten percent (10%) of the contributions due for the month. If these delinquent contributions, together with the liquidated damages assessment, are not received by the Control Board on or before the tenth (10th) day of the next month, the liquidated damages assessment will increase to twenty percent (20%) of the delinquent contributions. In addition to the twenty percent (20%) assessment, the delinquent employer shall, on that same date, become subject to interest on the delinquent contributions at the interest rate determined by the Internal Revenue Code under Section 6621. The interest charges will accrue on both the delinquent contributions and the liquidated damages assessments from their due dates. Any attorney's fees incurred in the collection of the preceding sums shall also be payable by the delinquent employer. Where the Control Board determines necessary, and the delinquent payment is not rendered when the employer is contacted by the Control Board, the Board may contact the Union and they may remove all employees of the delinquent employer and the employees will be directed not to return to work until the obligation of the delinquent employer is paid in full.

In addition to the foregoing, all such delinquent employers may be required to either:

1. Make weekly payments to all Funds which payment shall be made by cash or certified check. These weekly payments will be hand delivered to the Funds Office on the delinquent employer's regular payday. If payment is not received on this date, the Control Board may contact the Union and they may remove all the employees of the delinquent employer and the employees will be directed not to return to work until such obligation is paid in full; or,
2. The delinquent employer may post bond in an amount equal to the average monthly contribution of the delinquent employer for the previous year.

In the event the delinquent employer selects alternative number 1 and does not meet his weekly payments, bonding, as described in alternative number 2 will become mandatory. Such requirements may be relieved at the discretion of the Control Board.

#14 GRIEVANCES.

(A) Grievances of the Employer or the Union arising out of interpretation of enforcement of this Agreement shall be settled between the Employer directly involved and the duly authorized representatives of the Union, if possible. An Employer may have the Association present to act as his representative.

To be valid, grievances must be raised within thirty (30) calendar days following the occurrence giving rise to the grievance, or, if the occurrence was not ascertainable, within thirty (30) calendar days of the first knowledge of the facts giving rise to the grievance.

(B) Grievances not settled as provided in #14A of this Addendum may be appealed by either party to the Local Joint Adjustment Board in the area in which the work is performed, and such Board shall meet promptly on a date mutually agreeable to the members of the Board, but in no case more than fourteen (14) calendar days following the notice provided in the next paragraph, unless the time is extended by mutual agreement of the parties, to render a final and binding determination, except as provided in #14C of this Addendum. The Board shall consist of an equal number of representatives of the Union and of the Employer. The local Employer Association, on its own initiative, may submit grievances for determination by the Board, as provided in this paragraph.

Notice of appeal to the Local Joint Adjustment Board shall be given within thirty (30) days after termination of the procedures prescribed in #14A of this Addendum, unless the time is extended by mutual agreement of the parties.

(C) Grievances not disposed of under the procedure described on #14B of this Addendum, because of a deadlock or failure of such Board to act, may be appealed jointly or by either party to a Board of Arbitration. The Board of Arbitration shall consist of three (3) persons, one (1) to be selected by the Union, one (1) to be selected by the Employer and the third (3rd), who shall act as an Impartial Chairperson, to be selected mutually by the representative of the Union and the representative of the Employer.

The aggrieved party shall name one (1) member to the Board of Arbitration at the time of making its submission by registered or certified mail. The other party shall name one (1) member within three (3) working days after receipt of such notice. If the two (2) members thus selected fail to agree on the selection of an Impartial Chairperson within six (6) working days following receipt of the notice of submission by the aggrieved party to the other party, the Federal Mediation and

Conciliation Service may be requested by either party to submit a list of five (5) persons from which the Impartial Chairperson shall be selected by mutual agreement of the Employer and Union representatives.

In the event of failure to agree on any one of the names submitted, the Union and the Employer representatives shall each strike off the names of two (2) of the five (5) names as being unacceptable and shall indicate the order of preference of those remaining. If more than one name remains, the Federal Mediation and Conciliation Service shall then be requested to appoint an Impartial Chairperson from the names remaining on the list, with due consideration as to preference and availability.

No decision shall be made by the Board of Arbitration without the participation of the representatives of both the Union and the Employer, unless, in the judgment of the Impartial Chairperson, either the Employer or the Union is unnecessarily delaying arbitration proceedings (and after due notice of such judgment by the Chairman to both parties hereto), in which case decisions may be reached without the participation of the party causing the delay.

In the event either party refuses arbitration or fails to appoint its member to the Board of Arbitration, the other party may select an Impartial Chairperson and proceed to arbitration independently.

(D) All fees and expenses of the Impartial Chairperson shall be shared equally by the Union and the Employer.

All decisions of the Board of Arbitration shall be made and mailed to the parties within ten (10) days following the conclusion of the arbitration hearings, exclusive of the last day of such hearing.

All decisions of the Board of Arbitration made within the scope of the submission and within the authority of the Board, as defined herein, shall be final and binding on all parties concerned.

The Board of Arbitration shall have no right to require of the Employer, the Union or any employee of the Employer, any act it or he is not required by law or by this Agreement to perform, nor to render any interpretation outside the scope of this Agreement.

In the event of the failure of the Board of Arbitration to reach a majority decision, the written decision and award of the Impartial Arbitrator shall constitute a majority decision and award within the meaning of #14 of this Addendum.

The requirements of #14B, with respect to the selection of one (1) person by the Employer and one (1) person by the Union to serve as members of the Board of Arbitration, may be waived

by the parties by written agreement in any given case, in which case the Impartial Chairperson shall constitute a Board of Arbitration of one (1) person, and his decision and award, subject to all other conditions herein, shall be final and binding upon the parties.

Working days, where used in this #14, shall include Monday through Friday. Time limits imposed in this #14 may be extended only by written mutual consent of the parties.

(E) Failure to exercise the right of appeal at any step thereof within the time limit provided therefore shall void any right of appeal applicable to the facts and remedies of the grievance involved. There shall be no cessation of work by strike or lockout during the pendency of the procedures provided for in #14 of this Addendum.

(F) Nothing contained in #14 of this Addendum shall apply in any controversy or dispute arising out of any notice of reopening of this Agreement.

#15 RESIDENTIAL.

Residential is defined as per the Residential Addendum of the Standard Form of Union Agreement. Also, where residential units have hot water heat, exhaust work can be done at the residential work rate (e.g., kitchen exhausts, toilet exhausts) as long as these systems vent directly to the outside, without connection to or with the exhaust system from other units.

A Residential Labor/Management Committee will be formed to discuss contractual and market recovery issues.

RESIDENTIAL APPRENTICES. The ratio of residential apprentices shall be one (1) with one (1) journeyman; two (2) with four (4) journeymen; three (3) with seven (7) journeymen; and an additional apprentice for every three (3) additional residential journeymen. The rate for residential apprentices shall be fifty-five percent (55%) of the residential base rate for the first one thousand (1,000) hours; sixty-five percent (65%) for the second one thousand (1,000) hours; seventy-five percent (75%) for the third one thousand (1,000) hours; and eighty-five percent (85%) for the fourth one thousand (1,000) hours. In other words, the apprenticeship period shall be a four thousand (4,000) hour program, divided into four (4) one thousand (1,000) hour periods. Employers shall make the full fringe contributions to the fringe funds in addition to the base pay set forth above, except as set forth in Addendum #9-D, above. Pension Fund contributions shall be paid based on the same percentage as the rate of pay. Apprentices indentured on and after May 13, 2013 shall have their Supplemental Pension contribution reduced by one dollar (\$1.00) after the percentage calculation is made.

RESIDENTIAL PRE-APPRENTICES. Pre-apprentices shall be available for residential work at the commercial ratio. The rate shall be fifty percent (50%) of the base pay of the residential journeyman. Health Fund contributions will be made after one thousand (1,000) hours.

If the Employer has applied for a residential apprentice and none is supplied, the Employer shall be entitled to use a pre-apprentice in that spot.

#16 COMMERCIAL.

The apprentice wage schedule shall be as follows:

1st Period	0-1000 Hours	50% of Journeyperson Base
2nd Period	1001-2000 Hours	54%
3rd Period	2001-3000 Hours	59%
4th Period	3001-4000 Hours	63%
5th Period	4001-5000 Hours	67%
6th Period	5001-6000 Hours	71%
7th Period	6001-7000 Hours	75%
8th Period	7001-8000 Hours	79%
9th Period	8001 + Hours	90%

The Employer shall make the full fringe contributions to the remaining funds in addition to the base pay set forth above, except as set forth in Addendum #9-D, above. Pension Fund contributions shall be paid based on the same percentage as the rate of pay. Apprentices indentured after the beginning of the 2007-2008 school year shall attend five (5) years of apprenticeship training. Apprentices indentured on and after May 13, 2013 shall have their Supplemental Pension contribution reduced by one dollar (\$1.00) after the percentage calculation is made.

Apprentices that complete all apprenticeship requirements will advance to journeymen upon completion of eight thousand (8,000) work hours. Apprentices that have completed 8,000 work hours, but not all of the other apprenticeship requirements, will advance to Period 9 until completion of all requirements.

COMMERCIAL APPRENTICES. The ratio of apprentices to journeypersons shall be one (1) apprentice to one (1) journeyperson; two (2) apprentices to four (4) journeypersons; three (3) apprentices to seven (7) journeypersons; and an additional apprentice for every additional four (4) journeypersons. When applying the apprenticeship ratio, any apprentice paid at the ninety percent (90%) rate or more shall be considered a journeyperson.

On architectural sheet metal work, each shop shall be entitled to one (1) first-year apprentice with each journeyperson employed on that work, at the discretion of the Apprenticeship Committee.

COMMERCIAL PRE-APPRENTICES. Pre-apprentices shall be allowed on commercial work. The rate for pre-apprentices shall be forty percent (40%) of the base rate for commercial journeypersons. The Employer shall be entitled to one (1) pre-apprentice for three (3)

journeypersons; two (2) pre-apprentices for four (4) journeypersons; three (3) pre-apprentices for seven (7) journeymen; and one (1) additional pre-apprentice for every four (4) additional journeypersons thereafter. The duties of the pre-apprentice shall be the same as those defined under the Standard Form. In other words, no limitations except that the pre-apprentice shall work under the direction of a journeyperson. The pre-apprentice must make application to the Apprenticeship Program (either residential or commercial program) within one (1) year of the date of hire and remain eligible for the Apprenticeship Program to remain employed. If the Employer applies for an apprentice and is entitled to one and none is supplied, the Employer may use a pre-apprentice in the place of an apprentice.

Once a pre-apprentice has worked one thousand (1,000) hours, the Employer shall either begin making the hourly contributions to the Health Fund as described under #9D & #9G of this Addendum, or shall insure the pre-apprentice under the company's office health and welfare plan at no cost to the pre-apprentice. If the latter method is chosen, both the Union and the pre-apprentice shall receive a copy of that plan's Summary Plan Description.

Once a pre-apprentice has worked two thousand (2,000) hours, the taxable base shall be at forty-five percent (45%). All hours worked by a pre-apprentice shall be cumulative when applied to the taxable base rate only. Pre-apprentices that quit the trade for reasons other than to attend a sheet metal/HVAC trade related school and are separated for more than 90 days shall begin with zero accrued work hours if they return to employment as a pre-apprentice.

#17 LABOR DAY.

Labor Day will be a paid holiday to all employees of the Employer who satisfy the following conditions:

- a. Journeypersons and pre-apprentices will receive a paid holiday if they successfully complete eight (8) hours of related educational training on their own time as approved through the Central Minnesota Area Sheet Metal Joint Apprenticeship and Training Committee (certificate of completion required) during the calendar year preceding the Labor Day.
- b. Apprentices will receive Labor Day pay if they have no unexcused absences from apprenticeship school during the full school year preceding the Labor Day.
- c. In addition, to be eligible for Labor Day pay, the employee must have worked for the same Employer continuously for the twenty (20) days preceding the Labor Day.

Labor Day pay will be paid at eight (8) hours at the employee's applicable hourly base rate. No fringes will be paid, and Labor Day pay will not count as hours worked for any purpose.

#18 DRUG & ALCOHOL TESTING POLICY.

Section 1. PREFACE. Alcohol/substance abuse is recognized as a treatable illness. The desired result is rehabilitation. The preferred procedure is through referral to a locally operated industry Employee Assistance Program (EAP). Currently, a program is available, under the terms of the local health and welfare plan. The EAP should provide employee and supervisor educational programming, individual and family counseling, as well as treatment referral services.

Workplace problems arising out of an employee's relationship with substance abuse may warrant a variety of management responses, including referral for treatment, testing, disciplinary action, or even termination of employment. This statement addresses the testing issues only.

No substance testing program should be implemented unless there is an Employee Assistance Program (EAP) implemented to provide treatment for any bargaining unit employees.

Section 2. GENERAL PROVISIONS. The Union and the Employers regard blood/urine testing as problematic and do not advocate reliance on such procedures to identify individuals with an alcohol/chemical dependence. However, certain circumstances support substance testing as a warranted vehicle for determining possible impairment and/or a propensity for substance abuse. These include:

1. Pre-employment screening;
2. Probable cause testing;
3. Work opportunity mandated testing; and
4. Post incident testing.
5. Random testing.

Whenever testing is utilized it shall be accomplished through dignified and humane procedures ensuring complete confidentiality of specimen custody and test results. The individual being tested and the EAP shall have access to the test results. The sheet metal employer (or JATC) and Union shall be notified of the positive or negative results only.

For all testing, the Employer shall comply with the testing and notice requirements of Minnesota law, which may be set forth separately, and tests shall be conducted by qualified and accredited laboratories which comply with the Scientific and Technical Guidelines for Federal Drug Testing Programs and the Standards for Certification of Laboratories Engaged in Urine Drug Testing for Federal Agencies issued by the Alcohol, Drug Abuse and Mental Health Administration of the United States Department of Health & Human Services, or standards established by the applicable state having jurisdiction (Minnesota), whichever are the more stringent. The testing laboratories must also maintain high quality control procedures and follow manufacturer's protocols. All initial positive tests shall be subject to a confirmation assay, such as Gas Chromatography with Mass Spectrometry (GC/MS). The levels of detected substances for

determining positive results shall be those established as legitimate by the Alcohol, Drug Abuse & Mental Health Administration of the United States Department of Health & Human Services, or those established by the state having jurisdiction (Minnesota), whichever are the more stringent.

Section 3. PRE-EMPLOYMENT TESTING. Employers shall be allowed to implement pre-employment drug testing. Testing may occur only after a conditional offer of employment has been made. Employees being recalled from a layoff status may be tested provided they have been on layoff status for at least forty-five (45) days.

No wages or compensation shall be owed to any individual on account of a pre-employment drug test. The Employer shall pay the cost of the pre-employment test.

Section 4. PROBABLE CAUSE TESTING. Substance testing may be implemented when there is "probable cause." Probable cause shall be defined as those circumstances, based on objective evidence about the employee's conduct in the workplace that would cause a reasonable person to believe that the employee is demonstrating signs of impairment due to alcohol or drugs. Examples of objective evidence include when an employee shows signs of impairment such as difficulty in maintaining balance, slurred speech, erratic or atypical behavior, or otherwise appears unable to perform his/her job in a safe manner.

Employees requested to submit to a probable cause drug and/or alcohol test shall be reimbursed for lost wages if the test is negative. The Employer shall pay the cost of the probable cause test.

Section 5. WORK OPPORTUNITY MANDATED TESTING. In all situations where an Employer is required to agree to a testing program in order to qualify as a bidder on a project, testing may be required, but only if performed in accordance with these standards and applied uniformly to all personnel having access to the workplace.

Section 6. POST INCIDENT TESTING. Employers shall be allowed to implement post incident drug and/or alcohol testing. An incident shall be defined as the occurrence of an injury as that term is defined in Minnesota workers compensation statutes or property damage of five hundred dollars (\$500.00) or more.

Employees requested to submit to a post incident test shall be reimbursed for lost time wages provided they follow through with the requested test and there is no probable cause of impairment. The obligation to reimburse lost wages shall cease upon notification of a non-negative test result.

Section 7. RANDOM TESTING. Employers shall be allowed to implement random drug and alcohol testing provided all testing procedures are in compliance with Minnesota law. The

frequency of random testing shall be no more frequent than allowed under federal DOT-mandated random testing.

Section 8. PROVISIO. Testing in any of the above situations shall be conducted and governed in accordance with the general provisions of this Policy Statement. Each Employer shall provide the Union with a copy of their Drug and Alcohol Testing Policy if they elect to implement pre-employment or post incident testing. Each Employer must administer its Drug and Alcohol Policy in a consistent manner such that each similarly situated sheet metal worker employed by the Employer is treated the same.

#19 WORKERS COMPENSATION & UNEMPLOYMENT CONTRIBUTIONS.

The undersigned Employer expressly agrees that, if he is exempt under any provision of the law from the statutory obligation of carrying Workers Compensation Insurance or exempt from the requirement to make Social Security and Unemployment Insurance contributions, at any time or under any circumstances, the undersigned Employer shall, nevertheless, carry the appropriate insurance and make the statutory contribution so that his employees shall be covered by Workers Compensation Insurance, Social Security and Unemployment Compensation benefits and specifically with respect to the Minnesota Unemployment Compensation Law, the Employer agrees that he will immediately elect to be covered, pursuant to Minnesota Statutes, Section 268.042, Subdivision 3, and for that purpose will immediately send notice of his determination to so elect to the Director of Jobs and Training, State of Minnesota.

The Central Minnesota Division of SMARCA, Inc. and the Union may request copies of any Employer's Certificate of Insurance for Workers Compensation Insurance and Unemployment Compensation Insurance. This information shall be supplied within ten (10) days following receipt of that request.

#20 ALTERNATIVE DISPUTE WORKERS' COMPENSATION PROGRAM

The parties agree to allow any contractor(s) signatory to this Agreement to participate in the jointly managed alternative dispute resolution workers' compensation program known as the Union Construction Craft Workers' Compensation Program. Each signatory contractor, acting alone and at their sole option, may (1) decide to participate, (2) decide not to participate, and (3) if once participating, decide unilaterally to cease participation in said program.

It is the purpose of this alternative dispute resolution workers' compensation program to provide a system to ensure the timely and fair payment of workers' compensation benefits required by Minnesota law or the law of any other jurisdiction to participants who have suffered work-related illnesses or injuries while performing work under this Collective Bargaining Agreement.

The operation of the alternative dispute resolution workers' compensation program will be determined by the trustees in accordance with the Agreement and Declaration of Trust of the Union

Construction Crafts Workers' Compensation Program (hereinafter the "Program"). This Program will be administered by an equal number of Employer Trustees and Union Trustees and will be funded from contributions from participating Employers on behalf of employees covered by this and other Collective Bargaining Agreements.

The parties hereto and any contractor deciding to participate in this Program agree to be bound by the Agreement and Declaration of Trust establishing the Program, together with any amendments thereto and rules and regulations established by the trustees. The parties hereby designate as their representatives on the Board of Trustees such trustees as are named pursuant to the Trust Agreement, together with any successors who may be appointed pursuant to the Trust Agreement.

The participating contractors hereby agree to be bound by the delinquency collection procedures established by the trustees of the Fund. The amount of contributions to this Fund shall be established by the trustees and may be changed from time to time.

The parties and all participating contractors also agree that participation in this Program is specifically entered into based upon the "Indemnification Policy" that was agreed to by the Program's Board of Trustees on January 17, 2006, and the representations regarding that "Indemnification Policy" made by Kevin Gregerson; Bill Ecklund of Felhaber, Larson, Fenlon and Vogt; and Shaun Irwin of the Anderson Agency.

In the event that said "Indemnification Policy" is modified or terminated by the Program or its underlying insurance policy provided by Chubb is modified or terminated, this section (Section 3) is terminated effective that same date. This termination will be effective without any action necessary by the parties to this Agreement. In such an event, the parties may agree to reinstate this section, but any agreement to do so must be done in writing and signed by authorized representatives of SMART Local No. 10 and the St. Cloud Subdivision of the Central MN Division of SMARCA, Inc.

The parties also agree to participate in other such programs that have similar characteristics and that agree to similar terms as contained herein.

#21 RECALL OF UNEMPLOYED.

Employers shall be entitled to recall a worker from the Union layoff list by submitting a request for that worker to the Union as long as the worker is collecting unemployment compensation benefits chargeable to the Employer at the time the request is made. The worker may elect to refuse employment and remain on the layoff list. The Union may, as a condition to referring a worker from the layoff list, require the Employer to provide written evidence that the worker is drawing unemployment compensation benefits chargeable to the Employer.

#22 WAGE INFORMATION.

The Employer shall provide each employee with a record of all hours worked and all deductions made from their wages with each wage check.

The Employer agrees to provide, at the request of the Union, information with respect to prevailing wage rates on forms supplied by the state and/or federal governments. Such forms shall be completed and returned to the Union upon such a request.

#23 NO STRIKES.

The parties agree that in the event that a new agreement is not reached prior to expiration of this Agreement, there shall be no strike, work stoppage or lockout on any service or residential work so long as negotiations continue. Should the Employers cease negotiations or repudiate this Agreement then this provision shall not apply.

#24 SAFETY TRAINING.

When required to attend Employer provided safety training, employees shall be paid a stipend for time equal to the applicable total taxable base rate. No Financial Savings Account and Organizing Fund deduction shall be made from the stipend and safety training hours are not reported to the Funds Office. Safety training shall not be considered "hours worked" under the Labor Agreement for purposes of calculating fringe benefit payments.

#25 FAVORED NATIONS

In the event the Union negotiates and agrees to terms and conditions of employment with any employer or group or association of employers that differ from the terms provided in the current St. Cloud Area Labor Agreement between SMARCA and the Union, the Union shall notify SMARCA within ten (10) days of making such an agreement and SMARCA shall have thirty (30) days in which to accept the terms of that new agreement completely and in full, or SMARCA shall continue with the current agreement as specified therein.

The Union shall retain the right to continue its efforts to organize the unorganized. It is recognized that any newly organized contractor may be granted special terms and/or conditions that allow that contractor to complete all projects bid prior to the signing of an agreement with the Union without interference. It is further recognized that the Union, in concert with the employer, shall determine into which classification and rate of pay each existing employee will be placed.

#26 CONTROL BOARD

The Organizing fund contributions set forth in Addendum #9 (A) Section 3, the Local Benefits and Industry Funds in Addendum #9 (D) and the contributions to the Funds designated in Addendum #15 & #16 shall be paid to the Fund Office for the Sheet Metal Local #10 Control Board Trust Fund, which is authorized to collect and distribute the benefits set forth herein. The Sheet Metal Local #10 Control Board Trust Fund is administered pursuant to the provisions of an Agreement and Declaration of Trust that has been executed jointly by an equal number of

representatives of the Union and representatives of the Association. This Trust Agreement as well as the rules and regulations established jointly by the Trustees of the Control Board shall be considered a part hereof, as if set forth in detail.

A Control Board Trustee must be a current Trustee of at least one (1) Local 10 Fringe Benefit Funds.

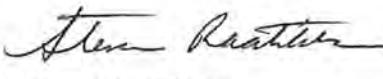
All delinquent employers will be contacted immediately by authorized representatives of the Control Board.


THIS CONTRACT AND ADDENDUM SHALL EXPIRE APRIL 30, 2022.

ST. CLOUD SUBDIVISION OF THE
CENTRAL MINNESOTA DIVISION OF
SMARCA, INC.

LOCAL UNION NO. 10 OF THE
INTERNATIONAL ASSOCIATION OF
SHEET METAL, AIR, RAIL AND
TRANSPORTATION WORKERS

By 
John W. Quarnstrom
Chief Executive Officer

By 
Steve Raatikka
Business Representative

By 
Matt Fairbanks
Business Manager/President

EMPLOYER:

Firm _____

By _____

Its _____

I hereby agree to abide by the St Cloud Labor Agreement negotiated between the International Association of Sheet Metal, Air, Rail and Transportation Local 10 and the St. Cloud Subdivision of the Central Minnesota Division of SMARCA Inc. Effective May 2, 2019 – April 30, 2022.

Company name

Officer Signature / Title

Address

Print name / title

City/State/Zip

Date

Union Representative

Date

Print name



**Sheet Metal, Air Conditioning &
Roofing Contractors Association**

**SMARCA, Inc.
1405 Lilac Drive N. #100
Minneapolis, MN 55422
(763) 593-0941**



**SMART Local No. 10
1681 East Cope Avenue
St. Paul, MN 55109
(651) 770-2388**