

**UFCW Local 663 Proposals to Metro Retail Grocery Employers  
Haug's, Jerry's, Knowlan's, Kowalski's, L&B, Radermacher's, UNFI  
February 25, 2025 @ 9am**

*These proposals are offered by Shakopee Cub in a good faith effort to reach a negotiated successor collective bargaining agreement with UFCW Local 663. Shakopee Cub reserves the right to amend or withdraw proposals. A proposal or any withdrawal or modification of a proposal does not constitute a waiver by Shakopee Cub of any of its present rights. Shakopee Cub reserves the right to add to, modify or delete proposals at any time. Any agreement as to a specific proposal is considered to be a tentative agreement subject to final agreement between Shakopee Cub and the Union concerning all matters related to these negotiations.*

**1) Wages**

- A) See wage scales - [Union 1 Wage Scales - 2.25.25](#)  
*We made detailed wage offers on our proposal.*

**2) Retirement - Legacy Pension, Variable Annuity Pension (VAP), 401(k)**

[See Union Exhibits](#)

*We made a detailed retirement proposal that includes the Legacy and VAPP*

A) Legacy Pension

1. The Rehabilitation Plan Update will adopt Reasonable Measures to enable the Fund to emerge from Critical Status in March 2040.
2. Based on an emergence date of 2040, the annual contribution rate increases effective beginning March 2025 will be 7.5% as calculated by the Fund actuary, Segal, in their February 6, 2025 report to the Board of Trustees, based on a 7.0% annual investment return.
3. Further, the Rehabilitation Plan Update will contain an annual floor dollar contribution requirement that must be contributed by each employer for each March 1 through February 28 period, effective March 1, 2025, that reflects the applicable contribution rate increase and the projected hours assumed by Segal for the Plan year ending February 2024. These annual floor dollar amounts were calculated by Segal under Scenario D5 in their February 6, 2025 report to the Board of Trustees based on 67,600 full-time weeks and 63,900 part-time weeks.

This annual floor dollar amount provision will be administered as follows: As soon as practicable after the end of each fiscal year, the Fund will determine whether each Employer contributed at least the floor amount for that 12-month period. Each Employer's share of the annual floor dollar amount will be based on the annual Estimated Withdrawal Liability for Individual Employers report prepared by Segal (the most recent report was issued January 8, 2025). If the Employer did not contribute at least the floor dollar amount, The Fund will send the

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Employer a "true up" invoice for the difference between the floor amount and the actual contributions paid. The Employer will pay the true-up amount in a lump sum within 30 days of its receipt of the invoice. If the Employer's actual contributions exceed the floor amount, there will be no credit or refund to the Employer.

4. If, due to market events, Segal projects the Fund will become insolvent in the future as opposed to emerging from Critical Status, the bargaining parties shall reopen the contract for the sole purpose of negotiating an appropriate adjustment to the contribution rates to allow for emergence from Critical Status in the future rather than projected insolvency.

**B) Variable Annuity Pension Plan**

1. The 3.0% Cap on annual benefit improvement adjustments is removed effective January 1, 2025.
2. The accrual rate will increase from \$35.00 to \$39.50 for UNFI participants effective January 1, 2025.
3. The accrual rate will increase from \$25.00 to \$28.00 for all other participants effective January 1, 2025.
4. These benefit improvements require no increases in the current Employer contribution rates because of the current funding status of the VAPP and the magnitude of the Fund's Stabilization Reserve.
5. All Employers that previously withdrew from the MRMC Pension Fund prior to January 1, 2019 but continue to participate in the MRMC Health Plan will begin participation in the VAPP effective January 1, 2025. The Employer's contribution obligation to the VAPP will be the difference between the previously required contribution to the MRMC Pension Fund and the current employer contribution to the individual Employer's 401 (k) plan. For example, if the MRMC Pension Fund contribution before withdrawal was \$2.00 per hour and the employer now contributes \$1.00 per hour to a 401 (k) plan, the Employer shall contribute no less than \$1.00 per hour to the VAPP on behalf of applicable employees. Such employees shall continue to be covered by their Employer's 401 (k) plan at the current negotiated rates.

**C) Establish Multi-Employer Defined Contribution Plan**

1. All FT and PT can participate - includes Modified PT, Regular PT, Custodial / Courtesy (no longer an issue after conversion to Regular PT)

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We currently have a 401k available that anyone can contribute to.

**3) Health & Welfare**

[See Union Exhibits](#)

We made a detailed healthcare proposal. Our rough estimate of the cost of your proposal would be between 40-60% increase to our cost, based on employee mix.

- A) [Replacement language](#) as provided by the Union for FT and PT eligibility
- B) Health Fund Reserves, Benefit Improvements and Shorter Waiting Period for Part-time
1. The net asset reserves shall be reduced from the current 11.4 months of continuation value to 7.8 months of continuation value by February 2028. The Fund consultant, Segal, has informed us that 7.8 months of continuation reserve is a prudent and appropriate reserve for this Fund.
  2. Initially, Fund assets will be reduced in the first two months of the new agreement beginning March 1, 2025 by an employer contribution holiday estimated to be equal to \$5.8 million. Employers shall begin paying breakeven contribution rates determined by Segal in their report dated February 21, 2025 as soon as the contribution holiday concludes. During the holiday period, the employers shall continue to submit reports to the Fund Office reflecting those employees eligible to receive coverage and such employees shall be eligible to receive coverage notwithstanding the holiday.
  3. The break-even contribution rates account for the following benefit improvements:
    - a. Vision exams covered at 100% effective January 1, 2026.
    - b. Dental annual maximum increased from \$1,250 to \$2,000 effective January 1, 2026.
    - c. The Medical deductible shall be reduced from \$750/\$2,250 to \$500/\$1,500 effective January 1, 2026.
    - d. The Medical Out-of-Pocket Maximum will be reduced from \$3,000/\$6,000 to \$2,500/\$5,000 effective January 1, 2026.
    - e. The Employer will fund a Health Reimbursement Arrangement (HRA) effective March 1, 2025 by contributing \$10.00 per week or \$43.33 per month per eligible employee. Employees can use their HRA account assets to pay for out-of-pocket expenses that they incur relating to claims otherwise covered by the Fund.
  4. The Employer shall make monthly contributions to the Fund on a composite basis. Such contributions shall reflect a waiting period of 6 months for part-time

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employees and the load factor for composite monthly contributions shall be adjusted by Segal to reflect the shorter waiting period.

5. The Employer shall cooperate with the Fund Office in providing the Fund Office with eligible employee information to allow for enrollment to be conducted by the Fund Office during periods of open enrollment and as employees become eligible for coverage during the year.

**4) Employee Discount**

- A) Employee Discount 30% for all items

No, employee discounts are discretionary and we do not want to include it in our contract. Pricing in our stores is for whole community, including customers, employees, and owners. Currently we provide a 10% discount on private label, but that is discretionary.

**5) Employer provided meal from store during meal period**

Meals are the responsibility of the associate. This proposed benefit would also equate to a significant increase. For example, an \$8 meal in an 8 hour shift would equal a \$1/hr cost.

**6) Scheduling and Hours**

All items below involve the management of the company and how our store goes to market. Limits to scheduling, hour minimums, scheduling requirements, all add unnecessary complexity to operations.

- A) Decrease minimum available hours required for all full-time and part-time employees. Not sure what the Union is asking for, minimum hours are spelled out in the contract based on classification levels
- B) Employees on any form of leave or time off, paid or unpaid, shall not count towards a department's allotted labor hours & discuss adequate staffing levels *[HOLD for future proposals]* This proposal is not complete, however, this is a management issue and is addressed on a case by case basis, based on the associates' job duties and classification level.
- C) Flexibility for department heads to schedule according to the needs of each department and store, with equitable assignment of night shifts based on seniority and employee's availability. See comments under 6) Scheduling and Hours
- D) Discuss PT scheduling to improve work-life balance, retention and hiring *[HOLD for future proposals]* We are unsure what the Union is asking for here.

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E) 1 guaranteed consistent day off every week. We work with associates on their individual availability during time of hire and when an update is requested by the associate or management. Part time associates also have the flexibility to request time off which we work with our associates and department heads to accommodate. We also work with our Fulltime staff in the same manner while also considering our contractual obligations and business needs. Our part time staff enjoys greater flexibility than full time associates. See Section 2.10(a).

F) Limit number of consecutive scheduled shifts to 7. We are in general agreement with the concept that employees should not normally have to work seven days in a row, but this is usually driven by our associates' requests.

Example: EE regularly scheduled 28 hours. Requests Sun-Tue in Week 1 and Thu-Sat in Week 2, The only way to schedule the 28 hours they want each week is to schedule 8 days in a row.

G) Consistent weekly hours

1. All part-time employees guaranteed 24 hours per week, unless waived by employee. The current minimum hours in the contract have worked well for management. Currently in our store, 31 out of 46 part time associates have requested to work less than 24 hours.

H) Breaks

1. Starts after food acquired and paid at store. We are unaware of any industry where employees are allowed to stay on the clock while they go buy lunch and then start their break once they have lunch in hand. We provide excellent break room accommodations that allows employees to bring or purchase food prior to their shift and store for consumption on break. It is up to them. No, this would significantly increase break time but more importantly, become unmanageable, and impossible to police. Our break rooms have refrigeration and microwaves that allow associates to use their breaks efficiently.
2. Employer scheduling practices to avoid providing breaks - **Employees will not be scheduled within 30 minutes of any 3-hour increment, for example an employee cannot be scheduled for 5 hrs and 45 min (15 minutes short of a 6-hour shift). We do not practice this at our location.**

I) Scheduling stability [*HOLD for future proposals*] The Union and grocers all reserve the right to add to their proposals. But if the Union is intentionally presenting just some, but

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not all of their scheduling proposals, that frustrates the bargaining process. The grocers need to know what the Union is proposing in this area to fairly consider the proposals.

J) Attendance policy & grace period *[HOLD for future proposals]* *The grocers do not know what the Union is proposing here.*

K) **Employer shall supply to the Union an electronic copy of work schedules weekly. Entire weekly schedules for all associates and departments shall be provided in Excel spreadsheets and emailed as attachments to the Union. - standardize across all contracts** – Excel does not work well for this, but we can commit to begin providing an electronic copy of work schedules (e.g., in .pdf) within six months after ratification of this Agreement.

**7) Ratios - The Employer shall reach at least:**

Our ratios are the result of compromises made over the years. Revising ratios would require revising numerous interconnected issues if we are to maintain the balances struck over the years.

A) 40% FT ratio by the end of this CBA (Employer shall make all necessary Fund contributions)

B) 40% PT Modified ratio by the end of this CBA (Employer shall make all necessary Fund contributions)

C) Increase PT top 24% to 30%

**8) Wage Differentials** In general, the grocers try to offer a diversity of job opportunities. The contracts already have a range of rates and differentials for various jobs. And the grocers offer opportunities for growth, where pay and responsibility can increase. Not all employees want one of those opportunities. In fact, many of these opportunities are posted or otherwise solicited but go unanswered. Some of the below are opportunities to learn how to lead, which prepare employees for future opportunities, if they want to invest the effort. This is an investment in your future.

A) PT Supervisor - \$2.00 shift differential for all hours scheduled for the shift

B) MOD - \$2.00 shift differential for all hours scheduled for the shift

C) Assistant Department Head classified as Traditional Full-time

D) Deli - \$2.00 shift differential for all hours scheduled for the shift

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E) All hours worked between 6pm and 6am - \$2.00 shift differential for all hours scheduled for the shift

F) Training new hires - Employees who train or shadow new hires will receive a \$2.00 differential for all hours scheduled for the shift

**G) Interpretation - \$2.00 shift differential for all hours scheduled for the shift**

**9) Cross training and working in more than one department - We already responded**

A) Cross training and/or requiring employees to work outside their department will be by mutual agreement only

B) If cross training is mutually agreed to, the employee will be scheduled to shadow department leadership for at least 3 consecutive shifts before expected to work independently

C) \$2.00 shift differential for all hours scheduled for the shift when employees are assigned to work in more than one department per shift.

**10) Transfer protections - We already responded**

A) Employees may only be transferred to another department or store by mutual agreement between the employee and the employer.

B) Any involuntary transfers to another department or store, whether for work performance or other disciplinary actions, may only be permissible when accompanied by discipline or a Performance Improvement Plan (PIP) for cause.

C) Whenever there is a vacancy for a benefit-eligible position that the employer intends to fill, the employer shall post the position both electronically and in a visible location at each store for at least seven (7) calendar days. Vacancies shall be filled by the most senior internal applicant(s), whenever possible.

**11) PTO / ESST / Leave**

A) Increase Bereavement - ensure consistency for all CBAs We have all of these except stepparent, and are willing to provide that. TA.

i. All full-time and part-time employees (~~excluding Group 3~~) on the seniority list shall be entitled to bereavement pay according to the following:

- A maximum of four (4) days of leave with pay in the event of the death of a spouse, parent, **stepparent**, child or stepchild.

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- A maximum of **three (3) ~~two (2)~~** days of leave with pay in the event of the death of a brother, sister, mother-in-law or father-in-law, **grandparent or grandchild.**
- ~~One (1) day of leave with pay to attend the funeral in the event of the death of a grandparent or grandchild.~~

B) Holiday pay **The grocers' current PTO/vacation, holiday, ESST, Paid Medical Leave, and personal days provide ample opportunities for paid time off. These categories of leave have recently expanded through negotiations and legislation. The grocers do not think they should have to add even more now. Additionally, employees are often able to avoid being scheduled on days they have conflicts with work.**

- i. Revisit designated paid holidays, add 1 more
- ii. Holiday pay increased from 4 to 6 hours paid for all part-time
- iii. **Ensure consistency for all CBAs - Part-time employees are eligible for holiday pay after 90 days**
  - Custodial / Courtesy / Clean Team will not have to wait 1 year to receive, should be same as PT which is after 90 days (no longer an issue if all convert to regular part-time)

C) Vacation / PTO / ESST

*[HOLD for future proposal]* - We'll listen when you make your proposal.

**12) Classifications** **Classifications were bargained to make compromises on both sides. Reimagining classifications is akin to rewriting the entire agreement. Classifications changes were bargained to save money and provide flexibility in exchanged for concessions paid by the employer. Classification changes are economic in nature and can increase costs.**

A) Clear and equitable paths to promotion **We routinely post promotion opportunities that do not get answered internally. And we are a single location.**

**1. Discussion to include part-timers who perform duties of full-timers  
(example: Deli Supervisors at Kowalski's)**

B) Custodial / Courtesy / Clean Team - eliminated and all reclassified as Regular Part-time **We would be willing to eliminate this and reclassify them as Group 3.**

C) Group 3 - eliminated and all reclassified as Regular Part-time (maintain FT lay-off language) **Group 3 employees were created to control benefit costs to the H&W fund and provide flexibility to employers.**



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- D) Retail Specialist - eliminated and all reclassified as Classified Assistant - **ensure consistency for all CBAs** The Retail Specialist position creates a fulltime opportunity for associates while providing employers the ability to reclassify to part-time in a downturn.
- E) Department Heads:
- i) All Department Heads shall be classified as Traditional Full-Time Food Handlers for purposes of Appendix A-1 "Food Handlers Sunday Clause." **We hire department heads as classified assistants.**
  - ii) Any Department Head who is demoted or chooses to step down will revert to the classification they held prior to becoming a Department Head. - **ensure consistency for all CBAs** We already have that in our contract.
  - iii) Ensure that all FT heads of departments are classified and paid as Department Heads (e.g. Pricing, **Front End**, E-Commerce, Floral, **Gift**, General Merchandising, Coffee, Cheese) **Per the CBA, we will recognize certain department heads and don't wish to add to it.**
  - iv) Amend Section 5.5 to read: Any time a department head is off and a replacement is assigned to fill in for the duties of a department head or assistant department head, the employee assigned to fill in will receive department head or assistant department head pay for each shift in which those duties are performed. **There is already language to provide an employee department head rate anytime they replace a department head.**
- F) Training hours: When an employee is training as a higher paid classification, they shall be compensated at the higher classification for said hours. **The grocers are not sure what the Union is asking for here. But in general, the training itself is an investment in the employee and an opportunity for the employee to grow.**
- G) Full-time Waiver - Amend full-time waiver rate in Section 23.1 to \$23.00 for the duration of the waiver period up to a maximum of one thousand two hundred (1,200) hours of said period. If an employee exceeds a maximum of 1,200 hours, the employee will become a Classified Assistant. - **ensure consistency for all CBAs** We do not agree to this.
- H) **Maintaining seniority for students** - *[hold for future discussion]* We already have a clause in our contract.

**13) Safety and Wellbeing** *[HOLD for future proposals]*

- A) Employer shall update schedules and nametags of an employee once informed of a name change and with employee's consent** We already use preferred names on name badges. **This doesn't need to be in the contract.**  
**Our timekeeping system will only allow for legal names, not preferred names, to show on the schedule. Legal names are required for tax filing purposes.**

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- B) Employer will require that any federal immigration agent, Immigration and Customs Enforcement (ICE) agent, Department of Homeland Security (DHS) agent, or State and Local law enforcement officials present a valid warrant signed by a judge before admission to the worksite or access to employee records. Employer shall immediately notify UFCW 663 in the event of such an incident **We can't agree to this, it's not legally compliant.**
- C) Employees will not be expected to participate in rodent or insect remediation **We have a third-party service.**

#### **14) Tools and Training**

- A) Front end and Pharmacy employees will be provided stools, fatigue mats, and be permitted to have water - discuss ergonomic needs needs **We are sensitive to ergonomic needs and happy to discuss. But at the start we note that applicable law does not permit water in the pharmacy work areas due to contamination risk. Our pharmacy has special flooring installed and they are supplied with anti-fatigue mats, stools are provided by Cub Pharmacy.**
- B) Bakery, Deli and Meat department employees will be provided non-slip fatigue mats. **We already do this. May not need it in contract.**
- C) Apprenticeships & Job Training **[HOLD for further discussion] We will respond when the Union is ready to make its proposals.**
- D) **Limit on using AI technology including, but not limited to, scheduling, inventory management, and in-store customer service [HOLD for future proposal] We are not interested in limiting options for innovation and advancement in technology. Technological advancement will be essential to compete in the future.**

#### **15) Check-off**

- A) **All check-off remittances (dues, initiation fees, ABC) collected by the Company shall be promptly remitted to the Union no later than the 5th of the month following the month of such deductions. If we can reach agreement about the mechanics of this (e.g., when and how the Union will get their dues sheets to us), we will agree to this. Further discussion.**