

The Union agrees that the Employer may provide wage increases to employees who are at Top of Scale or Above Scale prior to a total agreement of the parties as a means of mitigating potential backpay resulting from this Agreement.

Comprehensive Package Proposal:

- If this package is rejected the Union reserves all rights, including to revert to its last position.
- All proposals where TA reached will remain.
- All other proposals will be withdrawn by both parties.

Wages and Benefits

- 1) Wage increases for all FT and PT employees with modernized wage scales
See wage scales
- 2) Pay equity - existing employees will receive an increase when new employees are hired at a higher or equal rate, comparable experience shall be taken into account
 - Employees with more than 1 year of experience will receive \$0.50 above the new hire
 - Employees with more than 2 years of experience will receive \$0.75 above the new hire
 - Employees with more than 3 years of experience will receive \$1.00 above the new hire
 - Employees with more than 4 years of experience will receive \$1.25 above the new hire
 - Employees with more than 5 years of experience will receive \$1.50 above the new hire
 - Employees with more than 6 years of experience will receive \$2.00 above the new hire
- 3) Redirect L&B portion of H&W funds to cover all current employees' portion of H&W contributions for 2 year CBA - the retail stores share of the \$1,880,817.12 redirect amount is \$1,787,170.90.

Wilson McShane counts for retail are 598 FT, 245 PT, 278 AB.
L&B counts are 571 FT, 140 PT, 313 AB.

- \$20 FT
- \$10 PT
- \$1 Ancillary Benefit

Remaining funds will be used to offset the employees' contribution for H&W for those who will be eligible for full H&W benefits coverage effective June 2023 (see H&W proposal #7 below)

- 4) Ratios - The Employer shall reach at least:
 - A) 40% FT ratio by the end of this CBA (Employer shall make all necessary Fund contributions at 40%)
 - B) Increase to ~~35%~~ 40% PT Modified ratio by the end of this CBA (Employer shall make all necessary Fund contributions at 40%)
 - C) Increase PT top 24% to 30%

UFCW Local 663 Comprehensive Package Proposal to the Employer
L&B – May 19, 2023 @ 10am

- 5) Section 5.5: When an employee relieves a department head who is on scheduled time off, the employee shall be paid the department head rate of pay.
- 6) Section 23.1 Full-Time Waiver
...increase to ~~\$25.00~~ **\$24.50** 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 the maximum of 1,200 hours, the employee will become a Classified Assistant.
- 7) Health & Welfare
- Employer will make breakeven / true cost contributions per Union proposal, with no increase to employees
 - The Employer will provide all other employees who do not currently receive full H&W benefits coverage effective June 2023 (Wilson McShane researching target date for 2023)
 - Ancillary benefits will continue until all employees transition to the new benefit coverage

BREAKEVEN / TRUE COST RATES

	Current 2022 TOTAL	Employer contribution	Employee contribution	March 2023 TOTAL	Employer contribution	Employee contribution	March 2024 TOTAL	Employer contribution	Employee contribution
FT	\$273.26	\$253.26	\$20.00	\$269.83	\$249.83	\$20.00	\$287.82	\$267.82	\$20.00
MOD PT	\$137.32	\$127.32	\$10.00	\$158.32	\$148.32	\$10.00	\$168.84	\$158.84	\$10.00
ANCILLARY	\$7.74	\$6.74	\$1.00	\$6.58	\$5.58	\$1.00	\$6.76	\$5.76	\$1.00

8) Retirement

A) Article 14: Increase ER 401(k) contribution:

Employer will make the following contributions on behalf of its eligible employees (job classifications as noted below):

Full-Time employees:

- Hired into their position on or before February 19, 2017 will receive ~~\$3.235~~ **\$3.50** per hour up to 40 paid hours per week.
- Hired into their position after February 19, 2017 will receive ~~\$2.00~~ **\$2.25** per hour up to 40 paid hours per week

Modified Part-Time employees will receive ~~\$1.35~~ **\$1.60** per hour up to 39.75 paid hours per week

All ~~Grandfathered Regular~~ Part-Time employees, including Courtesy and Custodial ~~hired into their position on or before March 4, 2018~~ will receive **\$1.35** per hour up to 39.75 paid hours per week

B) The Employer will make 401(k) contributions on all hours of vacation time that is paid out

Paid Time Off

1) Increase Bereavement

All full-time and part-time employees 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, child or stepchild.
- A maximum of three (3) 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.

2) Article 15 (I): The Employer agrees to pay the weekly health and welfare payment for part-time employees, when said part-time employees are on a paid vacation.

3) Holiday - Add MLK day to paid holidays

4) Sick and Safe Time / Quarantine - if an employee must quarantine, the Employer will cover wages and benefits, up to 2 calendar weeks

Classification

1) Any department head who is demoted or chooses to step down will revert to the classification they held prior to becoming a Department Head.

2) Part-Time Wage Scales. Remove if no active eligible employees: *“The part-time Food Handlers Group of March 3, 1974 will also receive the following options.....”*

Working Conditions

1) Clopening / Hours between scheduled shifts: All employees who have worked a complete shift shall be given a minimum of ten (10) hours before the next scheduled work shift, unless by mutual agreement.

2) Worker safety and well-being - willing to change Union language to “meet no less than once (1x) every 2 months” for the language below

There shall be in each store a safety and security captain and an alternate from the bargaining unit, designated by the Union. On a quarterly basis, each of the safety and security captains and/or alternates shall collectively meet on paid time (during a regularly scheduled shift) with representatives

of management and the Union to discuss health, safety and security conditions in the stores to ensure employee well-being. Virtual meeting options will be provided by the Employer as appropriate. The safety and security captains and/or alternates will make recommendations in the area of safety, health and security, discuss employee complaints, and distribute information concerning safety, health and security. The participants in these meetings shall mutually identify and agree on training and/or experts helpful to the committee. Meetings shall be held the [first/second/third/fourth] [day of week] of the [first/second/third] month of each calendar quarter. The Employer will post in the employee break area the contact person for incident reporting. At each meeting, the Employer shall provide a summary of safety, health and security matters for the prior quarter.

Existing TAs:

1. Employees will not stop or approach in any suspected theft situations
2. Escorts will be provided to employees between the store and an employee's vehicle, by request
3. Training will be provided for employees regarding how to respond and support fellow employees when they see or hear harassing language or behavior.

Union Employer Cooperation

- 1) Replace BMS with FMCS

Language Clean Up

- 1) Add to Appendix A-1 Sunday Clause a note to see Section 2.5(A) re: Mod PT
- 2) Visitation: use "Union representative" instead of "business agent" or "business representative" - TA
- 3) Term of agreement should read: ...shall be in effect as of March... and continue in full force and effect through 11:59pm on March...
- 4) Union can agree to editing language to use "controlled substances" or "individuals dismissed for use of controlled substances" instead of "drugs" or "drug offenders" in Employer proposal #15

Term of Agreement: 2 years – March 5, 2023 to March 2, 2025

Existing TAs from Employer proposals:

1. ER Proposal #6 Language modification change qualify to "meet the qualification".
2. ER proposal #7 Language change burial to "memorial service"
3. ER proposal #1 Remove any language in CBA pertaining to Pharmacy.
4. ER proposal #12 "Should any of the defined holidays fall on a Sunday, the holiday shall be observed on Monday."

LETTER OF AGREEMENT

UFCW Local 663 will instruct the trustees of the MRMC H&W Fund to modernize the benefit design and eligibility rules of the Fund based on the following principles:

1. The actuarial value of current benefits will not be reduced.
2. Eligibility rules will be liberalized to attract and retain employees.
3. The financial integrity and sustainability of the H&W Fund will be maintained.
4. The new plan design will become effective no later than January 1, 2025.

Benefit design conversations will include:

- Move from weekly to monthly coverage, including how to address grace weeks
- Eliminating “tunnel contributions” for part-time employees prior to their receiving benefit coverage
- Exploring options for the waiting period before benefit coverage begins, with mutual interest in providing quicker part-time employee benefit coverage
- Tiered coverage for Full-time (i.e. Employee, Employee + Spouse, Employee + Child(ren), Family)

These conversations are predicated on a shared understanding that 1) there may be increased costs with plan design changes and 2) the viability of implementing changes depends on the Employers’ and H&W participants’ capacity and willingness to accept these changes.

Plan professionals have been instructed to use existing data and seek additional data from all participating Employers to update work that began in 2017 regarding eligibility and costs. The next special H&W Trust meeting is scheduled for July 13, 2023.

Lunds & Byerlys will instruct its Trustee to play an active role to engage fellow Trustees and other Employers in the modernization process and to advocate amongst fellow Trustees and other Employers regarding benefit design changes.

After a thorough analysis and discussion of options at the Board of Trustees, both parties recognize that there is the possibility that proposed plan changes may not be feasible or in the best interest of the MRMC H&W participants.

Should changes to benefit design and eligibility rules not be approved by the Board of Trustee by September 1, 2024, either party may request to meet and confer. The parties will meet and confer within thirty (30) days of such a request, to discuss and explore how to ensure the best possible benefits coverage for Lunds & Byerlys employees who are members of UFCW Local 663, in advance of negotiations on a successor Agreement.

LETTER OF AGREEMENT

This is a ~~confidential~~ letter of understanding between Lund Food Holdings, Inc., d/b/a Lunds & Byerlys (the Employer) and UFCW Local 663 (the Union). ~~The parties agree to keep the terms of this letter confidential, and no party will disclose any term of the letter to any third party without the consent of the other party.~~

The Employer has developed and presented the below plan to the Union. This plan shall go into effect immediately upon both parties executing this letter of understanding.

As for the specific details of this agreement:

- Lunds & Byerlys has a long-held practice during the months of November and December, which includes:
 - Closing its Corporate Support Office for one (1) to two (2) days leading up to each of the following holidays - Thanksgiving and Christmas - and then reassigning these employees to its retail stores and/or facilities; and
 - Providing Corporate Support Office team members the option to work on a volunteer basis at select stores on Fridays each week for a four (4) hour period.
- Lunds & Byerlys conducts Merchant Tours weekly on Friday. The spirit of these tours are to assess store conditions and merchandising to provide constructive feedback to its team members.
- Given these long-held practices by the Company, the Employer shall be able to:
 - Reassign Corporate Support Office employees to do bargaining unit work up to a maximum of two (2) full workdays that immediately lead up to Thanksgiving and Christmas Eve holidays; and
 - Reassign Corporate Support Office employees outside of the bargaining unit to provide temporary assistance with bargaining unit work for up to four (4) hours per person on any Friday when a Merchant Tour is not conducted.
 - However, no employee shall be negatively impacted as a result of non-UFCW 663 member labor added to any store. ~~Max hours will be offered to UFCW 663 members before any non-UFCW 663 workers are offered work. Any UFCW 663 members who are not offered max hours before non-UFCW 663 members shall be paid for all missed hours, regardless of whether or not the UFCW 663 member worked. The Employer must post an equitable number of hours it plans to use in non-UFCW 663 member labor via its unfilled shift bidding process for union members to pick up if seeking to work more hours than they were scheduled.~~ The Employer will post conspicuous notices in break and work areas easily accessed by employees and electronically through their employee communications systems regarding opportunities to work max hours and will provide to the Union copies of the schedules of CSO hours and the postings.

This letter of understanding will sunset at the end of the current CBA.

By: _____
Its: Casey Enevoldsen
Vice President, Employee Experience

By: _____
Its: Rena Wong
President

Date: _____

Date: _____

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