

# SPECIAL MEETING BOARD REPORT

TO: Board of Education  
FROM: Director of Human Resources Emily Herman  
DATE: Monday, April 13, 2026



TOPIC/PURPOSE OF REPORT: 2025-2026 & 2026-2027 Custodial Contract Agreement

REFERENCE TO POLICY/STRATEGIC PLAN: Minn. Stat. § 122A.40, Subds. 7 and 7a (Employment; Contracts; Termination - Additional Staff Development and Salary)

RECOMMENDED BOARD ACTION: Action Item

DATE FOR BOARD ACTION: Monday, April 13, 2026

## **REPORT**

The District has reached a tentative agreement with Custodians of the district for the contract period July 1, 2025 to June 30, 2027. Retroactive pay will be issued to active employees only, which includes those with upcoming retirements pending the timely approval of the agreement.

The financial package focuses on competitive wages, longevity, and specialized license differentials:

- Wages (COLA): A salary increase of 2.3% in Year 1 and 2.5% in Year 2.
- Longevity: An increase of \$0.05 per hour for each longevity step in both Year 1 and Year 2.
- License Differentials (Year 2): To recognize technical expertise, differentials will increase by \$0.50/hr for Chief, \$0.15/hr for 1st Class, and \$0.05/hr for 2nd Class licenses.
- New Position: Effective Year 2, an Elementary B Shift Lead position will be established with a \$1.00/hr differential.
- Eliminate Pay Change for Licensing Requirements: remove the reduction in pay if an employee does not obtain their special license within six months of hire.

The agreement includes adjustments to District contributions for insurance and retirement:

- Health Insurance: District contributions toward premiums will increase by 8% in Year 1 and 12% in Year 2.
- HSA Language: Health Savings Account (HSA) language has been formally moved into the contract, with no changes to the current HSA financial structure.
- 403(b) Matching: The District's matching contribution will increase by \$25 per year.

Language updates were made to streamline operations and clarify leave policies:

- Vacation Accrual: For employees hired on or after July 1, 2026, vacation will be "front-loaded" at the start of the year rather than earned monthly.
- Vacation Selection: Removed restrictions on when vacations may be taken based on defined periods of the school year.
- Funeral Leave: The agreement clarifies leave categories.

- Reimbursements: To ensure compliance with District policy, itemized receipts are now strictly required for all reimbursements.

The cost of the agreement is 4.2%.

The bargaining unit has ratified this tentative agreement.

**RECOMMENDATION**

For the Board of Education to approve the collective bargaining agreement between Custodians of Inver Grove Heights Community Schools, ISD 199, for the contract period of July 1, 2025 to June 30, 2027.