

Labor Agreement Between
CITY OF SOUTHFIELD
AND
SOUTHFIELD FIRE FIGHTERS ASSOCIATION

July 1, 2016 – June 30, 2018

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LABOR AGREEMENT BETWEEN
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SOUTHFIELD FIRE FIGHTERS ASSOCIATION

THIS AGREEMENT, entered into through an Award under Public 312 of 1969 in MERC Case No. D15 E-0461 which was dated the 14th day of October 16, 2016 involving the City of Southfield, a Municipal Corporation, hereinafter referred to as "City" and the Southfield Fire Fighters Association, Local 1029, affiliated with the Michigan State Fire Fighters Association, and the International Association of Fire Fighters and AFL-CIO, hereinafter referred to as the "Association."

NOW, THEREFORE, and in consideration of the mutual promises and agreements hereinafter contained, it is agreed:

**ARTICLE 1
RECOGNITION AND BARGAINING UNIT**

1.1 Pursuant to the authority of Act 336 of the Public Acts of 1947 as amended up to and including Public Act 379 of 1965, City hereby recognizes the Association as the sole and exclusive bargaining agent for all uniformed Fire Department employees excluding the Fire Chief, Assistant Chief and auxiliary "civilian" personnel in the matter of wages, hours of work, and other conditions of employment. The City further agrees that it will not aid, promote or finance any labor group or organization which purports to engage in collective bargaining or make any agreement with any other such group or organization alleging to represent uniform personnel in the Southfield Fire Department.

**ARTICLE 2
PURPOSE AND INTENT**

2.1 The general purpose of this Agreement is to set forth the terms and conditions of employment, and promote the orderly and peaceful resolution of any dispute arising in this essential public service between uniformed Fire Department employees and the City of Southfield.

ARTICLE 3
DEFINITIONS

- 3.1 For purposes of this Agreement definitions shall be as follows:
- 3.2 "Employees" shall mean only uniformed employees of the Fire Department of the City of Southfield below the rank of Assistant Chief.
- 3.3 "Committee Man," "Committee" shall mean the collective bargaining committee of the Southfield Fire Fighters Association.
- 3.4 "City" shall mean the City of Southfield, Oakland County, Michigan.
- 3.5 "Association or Union" shall mean the Southfield Fire Fighters Association.
- 3.6 "Management" shall mean the Chief and Assistant Chief of the Fire Department and all other such members of the City Administrative staff as designated by the City Council.
- 3.7 "Department" shall mean the Fire Department of the City of Southfield, Michigan.
- 3.8 Seniority shall mean an employee's length of continuous service with the department measured in calendar days from the most recent date of appointment. Seniority shall not accrue to a probationary employee until the employee has successfully completed probation. Therefore, an employee reinstated pursuant to Sec. 10 (3) of Act 78 shall rank ahead of any probationary employee until the probationary employee has successfully completed probation. If employees have the same appointment date, seniority rank shall be according to the ranking of the composite entry test scores. Where composite scores are equal, higher seniority shall be determined by the higher written score. Any remaining ties shall be resolved by lot. A seniority list shall be posted in September each year for 30 calendar days. If the list is not grieved during the period it is posted, it shall be deemed correct.

ARTICLE 4
NON-DISCRIMINATION

4.1 There will be no discrimination against any employee because of his membership in the Association or because of his acting as an officer or in any other capacity on behalf of the Association. The City of Southfield is an Equal Opportunity Employer. The City and the Association jointly agree, endorse and support a policy of non-discrimination against any person on the basis of race, color, religion, sex, national origin, age, handicap, union activity, height, weight, marital status, creed or other protected classes under state or federal law. Such policy of non-discrimination shall be extended to all persons including but not limited to applications for hire, promotions, transfers and/or disciplinary action involving employees covered by this Agreement.

4.2 In accordance with the Americans with Disabilities Act (ADA), the Employer and the Union agree that they will not discriminate against any qualified individual with a disability, because of his or her disability. The Union and the Employer recognize the need to reasonably accommodate the disabled, as provided for under the ADA, and agree to meet as necessary during the term of this agreement to discuss any specific problems which may arise in fulfilling this obligation.

ARTICLE 5
AGENCY SHOP

5.1 All present employees covered by this contract who are members of the Union shall remain members of the Union in good standing as a condition of employment. (Good standing defined as having authorized written assignment in the hands of the City authorizing deduction of dues or equivalent bargaining service fees except as provided under paragraph 5.2 herein.) New employees shall become members of the Union or authorize in writing equivalent bargaining service fees proportional to the collective bargaining costs of the Union, including the costs of negotiation and administration of contract, the amount of which fee shall be certified to the employer by the Union after thirty (30) days of service and remain members of the Union or remain enforce authority in writing for equivalent bargaining service fees for the term of the contract as a condition of employment; provided always the Union shall notify the City in writing of any employee covered by this Agreement who has ceased said payment of Union dues or equivalent bargaining service fees and request the discharge or suspension of such employee. The Union agreeing to set forth fully the reason supporting its request for discharge or dismissal, including the reasons why such employee ceased to be a member of the Union and further agrees that such reasons shall justify the City in such dismissal or suspension

under the present provisions of the law. After thirty days of service or after thirty days of the execution of this contract whichever is later, employees covered by this contract shall be required to become members of the Union or authorize in writing the equivalent bargaining service fees set forth above.

5.2 Employees who fail to comply with the provisions of this section shall upon proper notice as provided herein be subject to discharge by the City within sixty (60) days after receipt of said notice from the Union. Provided, however, that the employee may pay such dues or equivalent bargaining service fees then in arrears. Upon such payment the Union shall immediately notify the City in writing to withdraw previous notification of delinquency.

5.3 Union agrees that it assumes all liabilities that may be incurred, including payment of back wages, through enforcement of this maintenance of membership Agreement.

5.4 The Union shall have the right to represent new employees, during their probationary period, in any dispute over the meaning, interpretation, application or enforcement of this Agreement, except that the Union shall have no right to represent such employees in matters involving discipline, up to and including discharge, which matters are specifically excluded from the grievance procedure by Article 10.2(f).

5.5 All original appointments shall be for a probationary period of 12 months. If a probationary employee has been absent for more than five scheduled duty days (or the equivalent duty hours) because of disability beyond the four days of sick leave benefit allowed under Section 11.1 B., the City shall have the right to extend the probationary period only to the extent necessary to make up the missed days, but not to exceed six calendar months. The President of the Union shall be notified in writing of any probationary period extensions.

ARTICLE 6 JOINT RESPONSIBILITIES

6.1 There shall be no strikes, concerted failure to report to work, by either feigned or pretensive illness, slow-downs, sit-downs, stay-ins, or stoppage of work, or any lock-outs, during the term of this Agreement. While this Agreement is in effect, there shall be no interruption of fire protection service to the public or any curtailment thereof. In the event of such interruption or curtailment, the Association shall immediately instruct the involved employees in writing that their conduct is in violation of this Agreement and that they may be disciplined up to and including discharge for dereliction of duty and instruct all persons to immediately cease said offending conduct. The City reserves the right to utilize all legal

remedies under the terms and conditions of this contract and/or the laws of the State of Michigan.

6.2 This Agreement contains all agreements regarding items covered under Act 379 of the Public Acts of 1965 between the City and the Association. No section of this Agreement shall supersede or take precedence over the City Charter of the City of Southfield, except as may be specified within this Agreement, nor over the existing rules and regulations of the City of Southfield Fire Department now in effect and not in direct conflict with provisions of this Agreement governing the operation of the Fire Department and the employees thereof nor the provisions of Act 78 of the Public Acts of 1935, except as may be specified within this Agreement.

ARTICLE 7 MANAGEMENT RESPONSIBILITY

7.1 It is recognized that the management of the department, the control of its properties, the maintenance of order and efficiency are solely responsibilities of the City.

Other rights and responsibilities belonging solely to the City are hereby recognized, prominent among which but by no means wholly inclusive, as follows:

The right to decide the number and locations of facilities, stations, etc., or functions to be performed, maintenance and repair except for major painting or landscaping, amount of supervision necessary, machinery and equipment, methods, schedule of work (excluding change in platoon system in effect July 1, 1971) together with the selection, procurement, design, engineering and the control of equipment and materials, and the right to purchase the service of others, contract or otherwise, to enter mutual aid pacts with other communities and expressly reserves the right to establish and maintain rules and regulations governing the operation of the Fire Department and the employees therein, providing such rules and regulations are not in direct conflict with this Agreement. It is further recognized that the responsibility of the City for the management of the department selection and direction of the working forces including the right to hire, suspend or discharge for just cause, assign, promote or transfer in accordance with the rules and regulations of the Civil Service Commission for the Fire and Police Departments pursuant to Act 78 of the Public Acts of 1935, as amended (except as provided in the Maintenance of Membership Agreement contained herein) to relieve employees from duty because of lack of work or other legitimate and reasonable cause is vested exclusively in the City, except as modified by or otherwise provided in this Agreement.

ARTICLE 8
CIVIL SERVICE COMMISSION - ACT 78

8.1 The establishment of the Police and Fire Civil Service Commission for the City of Southfield is hereby recognized by the parties to this Agreement. Its authority is recognized as established under the Public Act 78 of 1935.

8.2 Included in, but not limited to, the duties of the Civil Service Commission for the Fire and Police Departments under Act 78 of the Public Acts of 1935, as amended, shall be the conduct of tests and certification for initial hire and promotions, (except as modified by or otherwise provided in this Agreement including "promotions") and review, hearings and appeals regarding demotions, suspensions, and removal as prescribed in the above referenced Act with the exception of disciplinary actions as provided under the Agency Shop Provision contained herein. Appeals under the said Agency Shop Provision are subject only to the grievance procedure.

ARTICLE 9
LOCAL ASSOCIATION BUSINESS

9.1 Grievance Committee: The Grievance Committee shall be composed of three (3) employee members. The Grievance Committee shall represent employees for the purpose of processing grievances as provided in the grievance procedure established by this Agreement. Members of the Grievance Committee shall be permitted to investigate and process grievances on their shift without loss of normal duty compensation, after receiving approval from their supervisor on duty, which approval shall not be withheld except in case of an emergency. A record of time spent shall be initialed and retained. The time spent shall not be abused.

9.2 Bargaining Committee: The Bargaining Committee shall be composed of up to five (5) employee members, two (2) non-employee representatives, and legal counsel. Three (3) employee Bargaining Committee members shall be entitled to participate without loss of normal duty compensation when meetings are held during their regular working hours. Other members of the Bargaining Committee may be compensated on the same basis, if approved by the City. The function of the Bargaining Committee shall be to negotiate new or modified agreements with the City (including attendance at Act 312 hearings). The Union in submitting its demands to the City shall at the same time advise the City of the names of all persons who are members of the Bargaining Committee. The City shall, prior to negotiation, advise the Association of its Bargaining Committee, and either party may change its membership without notice.

9.3 In addition, the City will give three (3) hours per week Union time to the office of the President and one and one-half (1-1/2) hours per week Union time to each of the offices of the two Vice-Presidents of the Local Association, subject to the following:

- A. Union time remains with the office.
- B. All hours will be terminated upon election of new President and/or Vice-President.
- C. No more than eight (8) hours may be used in any given calendar week; provided that, for twenty-four (24) hour personnel, no more than twenty-four (24) hours may be used in any given calendar week.
- D. In the event the Local Association President and/or Vice-President requires Union time off, he shall obtain prior approval from the shift or bureau commander a minimum of twenty-four (24) hours in advance.

9.4 The City will give one (1) hour Union time per week to the Secretary or Treasurer of the Association, subject to the same conditions as above.

9.5 Union Conventions: The above provisions do not apply to attendance at the Biennial Conventions of State and National Fire Fighters Associations.

9.6 The Union shall inform the employer of its elected officers and representatives within fifteen (15) days of their election.

9.7 The Union may schedule meetings on Fire Department property, with the prior approval of the Chief (which approval will not unreasonably be withheld) and further provided such meetings are not disruptive of the duties of the employees or the efficient operation of the department.

ARTICLE 10 GRIEVANCE PROCEDURE

10.1 Definition: A grievance is a dispute between the City and either an employee or the Association over the meaning, interpretation, application or enforcement of this Agreement.

10.2 Exclusions from Grievance Procedure:

- (a) Effective upon ratification by both parties, items coming both within the jurisdiction of the Civil Service Commission for the Fire and Police Department, established under the provisions of Act 78 of the Public Acts of 1935, as amended, and the parties' Agreement may be appealed either to the Civil Service Commission or through the Agreement's grievance and arbitration procedure.

The City must be notified in writing of the choice of forum by the Union or employee within 15 calendar days of the occurrence upon which the complaint is based if the appeal is to the grievance and arbitration procedure; or within 25 days if the appeal is to the Civil Service Commission.

The filing of a grievance or of a notice to the Commission with a copy to the City shall constitute notice to the City. Once an occurrence has been appealed to the Commission, the occurrence shall no longer be within the jurisdiction of the Agreement's arbitration procedure.

- (b) Collective items which would normally be considered a matter for the collective bargaining process. The intent of this provision is to prevent and stop those items which have been negotiated out, or set forth herewith, from being collaterally attacked either by way of the grievance procedure or otherwise.
- (c) Multiple grievances submitted at a single time or step. The intent of this provision is to prevent more than one grievance being submitted to the same arbitrator at the same time, unless mutually agreed upon by the parties. A class grievance (not excluded herein) is a grievance involving more than one member where the facts involved are identical to all those affected and one in which only one member shall act as grievant for all concerned.
- (d) Incident or other alleged infraction occurring prior to the date of adoption of this Agreement.
- (e) Grievance not meeting time limits as set forth in the procedure below.

- (f) Matters involving the discipline, up to and including discharge, of new employees during their probationary period.

General Rules

- (a) If a grievance is not submitted within fifteen (15) calendar days of its occurrence, it shall be automatically closed and forever held for naught.
- (b) Any grievance not submitted in one of the steps of the procedure to the next step within the time limits prescribed shall be considered closed.
- (c) The time limits herein may be extended by mutual agreement in writing between the parties.
- (d) All grievances shall be processed in the following manner:

STEP 1: (Verbal) Any employee having a grievance shall first take up the matter with the Assistant Chief. This meeting shall be held within ten (10) calendar days following the verbal submission of the grievance. The Assistant Chief shall render a decision within seven (7) calendar days of the date of the meeting. The shift or bureau representative may be present if so requested by the grievant. If there is not an Assistant Chief, the grievance shall be taken up with the Fire Chief.

STEP 2: (Written) If after Step 1 above, the aggrieved party feels his grievance has not been satisfactorily settled, he shall put his grievance in writing, stating all circumstances, dates and times applicable and turn it over to the President or Vice President of the Association, who shall submit it to the Fire Chief. One copy must be submitted to the Assistant Chief who answered the grievance in Step 1. The submission shall be made within ten (10) calendar days from the oral answer given in Step 1. The Chief or his designate shall hold a meeting with the President or Vice President of the Association which may include the aggrieved party to discuss the grievance within ten (10) calendar days of the submission. The Chief or his designate shall have seven (7) calendar days after the meeting in which to reply, in writing, to the President or Vice President of the Association.

STEP 3: (Written) If after Step 2 the grievance has not been satisfactorily settled, the President or Vice President of the Association may submit the grievance to the City Administrator or his designate within ten (10) calendar days after receipt of written

response. Submission shall be in writing stating all circumstances, dates, and time applicable. A meeting with the City Administrator or his designate shall be held within seven (7) calendar days of the written submission to the City Administrator if requested by the President or Vice President of the Association or the City in writing. The Association must request a meeting at the time of submission of the grievance if desired. The City Administrator or his designate shall render his decision in writing within seven (7) calendar days after the receipt of grievance or the meeting, whichever is later.

STEP 4: (Arbitration) If the grievance has not been satisfactorily settled, the President or Vice President of the Association in the name of the Association may submit such unresolved grievance to arbitration and shall file a written notice of its intent to submit the matter to arbitration. The notice of intent is to be filed with the City Administrator within ten (10) calendar days following the receipt of the City Administrator's answer in Step 3.

10.3 Selection of Arbitrator. If the parties are unable to agree upon an arbitrator within two (2) weeks after the notice of intent to arbitrate has been filed, the arbitrator shall be selected in accordance with the rules of American Arbitration Association. The fees and expenses of the Arbitrator, including all filing fees, shall be borne fully by the non-prevailing party as determined by the Arbitrator.

10.4 Arbitrator's Powers. The arbitrator shall have no power to add to, subtract from, amend, alter, or change the provisions of this Agreement.

10.5 Arbitrator's Decision. The arbitrator's decision shall be final and binding upon the Association and the City, and the affected employee or employees.

10.6 Arbitration Hearing. An employee involved in a grievance may attend the arbitration hearing without any loss in compensation for time spent during his normal tour of duty. If the grievance concerns more than one (1) employee (class grievance), the Association may select only one (1) employee to attend the hearing as a grievant for all.

10.7 Agreements reached at any step of the grievance procedure shall be final and binding on all parties.

10.8 The names of authorized shift or Bureau Representatives must be given the City in writing or they will not be recognized.

ARTICLE 11
LEAVES OF ABSENCE

11.1 SICK LEAVE

A. Sick Leave Usage. Sick leave shall not be considered a privilege which an employee may use at his or her discretion, but shall be allowed only in cases of actual illness or disability. A maximum of four (4) sick days will be paid during the probationary period. Personnel off duty who become ill and unable to report for duty must notify the officer in charge at least one-half hour before roll call on his platoon on each day of illness. Failure to do so may be cause for denial of sick leave with pay. An examination certificate and release from the City Physician or other acceptable physician may be required as evidence of illness and ability to return to work before compensation is allowed. The Fire Department reserves the right to request such examination of a member of the department in order to determine validity of absence due to illness, with sick leave compensation provided in accordance with the physician's report. Should the physician's report indicate that the request for sick leave is (was) not justified such information may be grounds for disciplinary action up to and including dismissal.

B. Sick Leave Incentive Payments.

- (a) A sick leave incentive payment of two hundred and fifty (\$250.00) dollars will be paid for each quarter of the fiscal year in which the employee has no absences and for which the employee has not been disqualified by absences in the previous quarter(s). Each absence during a quarter, up to the limit, disqualifies the employee for a quarterly payment. The maximum number of disqualifications, including the current quarter is four (4) consecutive quarters. Payments will be made quarterly. For any period of continuous absence, the maximum number of absences counted as disqualifying for incentive payments is two. For example, a continuous absence of two days would count as two; a continuous absence of three or more days would count as two. Each counted absence during a quarter, up to the limit, disqualifies the employee for a quarterly payment.
- (b) For duty-related injury, illness, or disability, there shall be no charge to sick leave for purposes of the above incentive payments.

- (c) Beginning July 1, 1993, 40-hour employees shall be granted 1 credit each July 1 to cancel the next chargeable absent day whenever it occurs. Any unused credit(s) shall be added to the credit granted each July 1.

Examples: Read down columns. A=Absence occurrences. P=Payment

A	P	A	P	A	P	A	P	A	P	A	P
0	250	1	0	2	0	3	0	2	0	3	0
0	250	0	250	0	0	0	0	1	0	1	0
0	250	0	250	0	250	0	0	0	0	0	0
0	250	0	250	0	250	0	250	0	250	0	0
										0	250

A	P	A	P	A	P	A	P	A	P
2	0	5	0	3	0	5	0	5	0
0	0	0	0	2	0	5	0	0	0
2	0	0	0	0	0	0	0	5	0
0	0	0	0	0	0	0	0	0	0
0	250	0	250	0	0	0	0	0	0
				0	250	0	250	0	0
								0	250

11.2 FURLOUGH AND LEAVE

Employees shall earn vacation at the following rate until they have completed three years of continuous service with the City: 24-hour employees: 4.308 hours per pay period for a total of 112 hours per year; 8-hour employees: 3.077 hours per pay period for a total of 80 hours per year. Employees with more than three years of continuous service with the City will be granted four (4) weeks furlough (vacation) leave per year. Twenty-four hours per day employees accumulate vacation leave at the rate of 8.615 hours per pay period for a total of 224 hours per year. Eight (8) hours per day employees accumulate leave at the rate of 6.154 hours per pay period for a total of 160 hours. All uniform personnel attaining fifteen (15) years of continuous service with the City shall be granted an additional week (56 hours or 40 hours depending upon regular work schedule) of vacation leave. They shall begin to accrue at the higher rate on their respective anniversary (hire) date. Twenty-four hours per day employees accumulate vacation

leave at the rate of 10.769 hours per pay period for a total of 280 hours per year. Eight (8) hours per day employees accumulate leave at the rate of 7.692 hours per pay period for a total of 200 hours.

Furlough dates will be posted as a guideline (Summer - May 1 through October 31; Winter - November 1 through April 30) as furloughs are to be selected in advance, in accordance with seniority and current practice. Each employee earning 18.7 or hours per month must take seventy-two (72) hours furlough in minimum amounts of twenty-four (24) hours during both the winter and summer periods. The Department will require minimum running schedules and may limit the number of personnel granted vacation leave at any given time. No furloughs will be granted during the first six (6) months of probationary period although credits will be earned. It is the stated intent of the City to allow no less than 12.5% of regularly scheduled unit personnel (computed to the whole number, e.g. 4 for 28, 5 for 36) on furlough at any time provided an emergency does not arise.

Furlough leave for any day must be for a minimum of six (or more) hours (one-half the normal work day for forty hour a week personnel) and may be taken only upon minimum 48 hour notice (23 hour notice in the case of forty (40) hour a week personnel) to the Commanding Officer. The minimum notice shall be waived if no overtime is caused. Exceptions to the above shall be granted only for educational purposes (minimum four (4) hours and 48 hour notice [23 hour notice in the case of forty (40) hour a week personnel] and in bona fide emergency approved by the Chief or his designate.

11.3 MAXIMUM ACCUMULATION OF FURLOUGH TIME

Maximum accumulation of furlough time shall be twice the employee's annual accumulation. All furlough time in excess of twice the employee's annual accumulation shall be forfeited. Any employee who has in excess of the allowable maximum accumulation will have until December 31st each year, to reduce his/her accumulation to the allowable maximum. If said employee does not reduce his/her excess vacation leave to the allowable maximum by December 31st each year, such excess accumulation shall be forfeited unless, in consideration of individual circumstances, the City Administrator's office and the Fire Chief decide otherwise.

11.4 FUNERAL LEAVE

In the case of death in his "immediate family" a fire fighter shall be granted a leave of absence with pay not to exceed one (1) work day for each occurrence. "Immediate family" is defined as

spouse, child, brother, sister, parent or parent-in-law, grandparent and grandparent-in-law, brother-in-law, sister-in-law, and grandchild.

Upon approval of the Chief, funeral leave may be extended up to two (2) additional work days upon the death of a member of a fire fighter's immediate family. Bereavement leave may be granted, due to extenuating circumstances, for the death of someone other than "immediate family" upon approval of the Chief. Forty-hour personnel shall be entitled to three (3) work days for leave for "immediate family."

11.5 PERSONAL BUSINESS LEAVE

Each employee, as designated below, shall be permitted personal business leave. Request for personal business leave must be submitted at least forty-eight (48) hours in advance. The minimum notice shall be waived if no over time is caused. Commanding Officer will not approve such leave if it would create a shortage in manpower. Personal business leave will be included with furlough in the application of the 12.5% allowed off in Section 11.2 above.

Fire Fighters - Three (3) days per year not chargeable to other leave.

Fire Fighter - Driver - Engineer Paramedic or Personnel at equal rate of pay Three (3) days per year not chargeable to other leave.

Lieutenant or Personnel at equal or higher rate of pay. Four (4) days per year not chargeable to other leave.

Effective 7/1/95 employees shall be allowed to accumulate two years allotment of personal business leave. Employees shall not be entitled to any pay for unused personal business days.

11.6 MILITARY LEAVE

Employees belonging to the National Guard, Service Reserves or other such unit are permitted to take a leave of absence with pay during their required annual training period provided such training and service is a requirement to meet minimum military commitments. Pay received by the employee shall be turned over to the City. Vacation time will not be affected by such leave. If an individual extends his service beyond the required military training he will automatically be considered last when scheduling for vacations.

Persons attending monthly military meetings shall be allowed to do so without loss of pay provided period does not exceed one day.

Personnel who are members of above referenced military organizations beyond the period required to meet minimum military requirements of the Federal Government may be granted leave of absence without pay.

The Selective Service Act as presently existing or as it may be amended from time to time shall govern the re-employment rights of servicemen.

11.7 JURY DUTY

When a member of the Association is required to serve on a jury or subpoenaed as a witness, he shall be excused from his regular duties during the time that is required to and does appear in court, except that on such days the employee shall be required to work all scheduled hours during which his attendance in court is not required with reasonable travel time provided. The City will pay said employee for time actually lost from his scheduled work hours and the employee will be required to submit his jury fees received to the City for such time.

11.8 (a) Effective May 3, 1986 training* department requested or member requested with department approval: The City will pay all reasonable expenses upon receipt of proper receipts for member while attending training. Compensatory time and/or overtime shall not be earned, but member shall receive regular compensation. Cash expense advance may be available upon proper request.

(b) Stand-by: Straight-time hours shall be used for number of hours required to stand-by at home. (Does not apply to Alert.)

(c) Physical Training: Maximum one (1) hour per week when attended.

* Upon conclusion of all non-resident or other training on a duty day, employee must return to duty as soon as possible.

11.9 SUSPENSION OF LEAVES

All leaves provided for in this Agreement may be temporarily suspended during any period of emergency declared by the City Administrator and/ or the Chief of the Fire Department provided such leaves are not suspended for the sole purpose of avoiding payment of overtime.

ARTICLE 12
ABSENT WITHOUT LEAVE

12.1 In the absence of an employee from place of duty, including any absence for any single day or part of a work day in excess of one hour that is not authorized by a specific grant of leave of absence under the provisions of this Agreement or departmental rules, the employee shall be deemed to be absent without leave. Any such absence shall be without pay and may be subject to disciplinary actions. Any employee who absents himself for three (3) consecutive work days without leave shall be deemed to have resigned. Such absence may be reconciled by a subsequent grant of leave if conditions warrant in the sole opinion of the Chief of the Fire Department.

ARTICLE 13
TARDINESS

13.1 All members are expected to report on time for their assigned shift. Members unable to report punctually for duty for any cause must notify their Commanding Officer prior to the time set for the commencement of their tour of duty. Failure to report promptly at the time directed will be deemed neglect of duty and made subject to disciplinary action. Repeated failure to report promptly is considered gross neglect and will be subject to additional disciplinary actions up to and including discharge.

13.2 Disciplinary actions for tardiness within a twelve (12) month period from date of first offense shall be in order as follows:

1. Verbal Reprimand
2. Written Reprimand
3. Loss of one-half (1/2) leave day
4. Loss of one (1) leave day.
5. Additional disciplinary action up to and including discharge

13.3 Tardiness shall be defined as reporting late for duty not to exceed one (1) hour.

ARTICLE 14
RECORD OF DISCIPLINE

14.1 No record of discipline shall be retained in any employees personnel file for a period longer than two (2) years from the date of discipline. Notwithstanding the foregoing, it is understood that a disciplinary record may be retained during the period of any appeal until the final disposition thereof.

**ARTICLE 15
PHYSICAL EXAMINATION**

15.1 The City agrees to provide, and may require, on a biennial basis, a comprehensive physical examination for all employees. Such examination shall be conducted by a mutually agreed upon medical doctor or clinical facility licensed to practice in the State of Michigan. The City shall determine the extent of the examination. Results of the examination shall be furnished to the City. Employees shall be permitted to schedule examination during the normal work hours provided such period is approved by the shift commander. Employees completing said examination while on duty shall immediately report back to their respective shift commander.

15.2 Effective 1/1/96, the City will institute the age-differentiated physical proposed by Providence Hospital, dated Oct., 1994 and attached as an exhibit, which provides an annual physical alternating first and second year elements. In the years in which the PSA is done for males the pap smear and mammography will be done for females.

**ARTICLE 16
FIRE PREVENTION BUREAU**

16.1 It is the intent of this section that personnel assigned to the Bureau shall have the same benefits accorded like rank or pay classification within the Department except as stipulated herein or as may apply to a forty (40) hour per week employee (such as furlough leave). The City shall have the right to schedule all employees assigned to the Fire Prevention Bureau to be on duty four 10-hour days per week or five 8-hour days per week.

16.2 Overtime. Overtime shall be paid at the rate of time-and-one-half for all hours worked by assigned personnel in excess of the regularly scheduled hours.

16.3 Holidays. Fire Prevention Bureau personnel shall work all holidays that fall during the normal work week as assigned. Personnel shall receive holiday pay as stipulated herein.

16.4 Additional Clothing. All personnel assigned to the Bureau where inspections are required, and for a period of at least sixty (60) days shall be supplied with one set of coveralls per year.

16.5 Meal Period. Effective July 1, 1981, all employees assigned to the Fire Prevention Bureau shall be allowed a thirty (30) minute paid meal period daily.

ARTICLE 17 PROMOTIONS

17.1 (a) Effective May 3, 1986 promotions shall be made in accordance with the provisions of Act 78, Public Acts of 1935, as amended, except as modified or otherwise provided in this Agreement.

(b) Notwithstanding, Section 16.1(a), the provisions of Act 78, Public Acts of 1935, as amended, and the regulations adopted thereunder, shall not apply to the filling of the Fire Chief position, it being understood that the City may fill the position of Fire Chief either from within, or from outside of, the bargaining unit.

(c) The provisions of Act 78, Public Acts of 1935, as amended, shall not apply to the position of Fire Chief.

17.2 Effective the date on which the 1988-1990 contract is ratified and signed by both principal parties, for new promotional lists, and until a validated testing procedure has been established and implemented with the input and concurrence of the Union, all promotions shall be made exclusively on the basis of written examinations, oral examinations or assessment centers as designated by the City and as indicated below, and seniority as indicated below. The weights designated below shall be assigned to an employee's scores on the written examinations and oral examinations or assessment centers, unless modified by mutual agreement of the parties. Where seniority is used, one-half point per year will be added to the overall score of candidates who pass. The cut-off date for determining seniority points shall be the date the written examination is first given.

	Written Exam	Oral Exam	Seniority
Drive Engineer, Mechanic, Inspector, Lieutenant, or Equivalent	65%	35%	.5 pts. per year after 5 years
Sr. Inspector or Equivalent	60%	40%	.5pts. per year as an Inspector

<u>Mechanic Coordinator</u>	60%	40%	.5 pts. per year as a Mechanic
Captain or Equivalent	60%	40%	.5 pts. per year as a Lieutenant
Assistant Chief, Battalion Chief [Except as provided below], Fire Marshall, or Equivalent	50%	50%	Considered only to break a tie

Promotions to the rank of Battalion Chief/Unit Commander shall be offered to the line Captain in the fire suppression division having the most seniority as a Captain. If no Captain is willing to accept the promotion, the promotion shall be made according to the terms set forth in the preceding part of this section. It is further agreed that the non- acceptance of the promotion does not disqualify a Captain from being offered the next promotion to Battalion Chief/Unit Commander based on his/her seniority in rank. The parties agree that this provision applies to the position of Battalion Chief/Unit Commander only.

In the event an assessment center is utilized, an orientation session for candidates will be provided to familiarize them with the procedures of the assessment center

17.3 Fire Officer Certifications.

Battalion Chiefs promoted after 11/21/90 will not receive or continue to receive the twelve month pay rate after twelve months unless or until Fire Officer III level certification by the Michigan Fire Fighters Training Council or, at the departments discretion, by the Regional Alliance for Fire Fighter Training Council has been acquired unless the failure to acquire the certification results from the City's failure to provide required released time from duty. The City will pay the training costs according to Section 11.8 (a).

Captains promoted after 11/21/90 will not receive or continue to receive the twelve month pay rate after twelve months unless or until Fire Officer II level certification by the Michigan Fire Fighters Training Council or, at the departments discretion, by the Regional Alliance for Fire Fighter Training Council has been acquired unless the failure to acquire the certification results from the City's failure to provide required released time from duty. The City will pay the training costs according to Section 11.8 (a).

Lieutenants promoted after 11/21/90 will not receive or continue to receive the twelve month pay rate after twelve months unless or until Fire Officer II level certification by the Michigan Fire Fighters Training Council or, at the departments discretion, by the Regional Alliance for Fire Fighter Training Council has been acquired unless the failure to acquire the certification results from the City's failure to provide required released time from duty. The City will pay the training costs according to Section 11.8 (a).

17.4 Training Division Captain. The Training Division Captain shall have the title, uniform and insignia of Captain, and shall have the line rank privileges of the rank of Lieutenant as they had prior to appointment. The Training Division Captain shall receive the wages established for the rank of Captain, beginning at the starting rate for that rank. The Training Division Captain will not receive the 12 month Captain's rate before securing 12 months as Captain and attaining the certification described below. If the Training Division Captain vacates the position, he or she shall return to his or her prior rank provided she or he has maintained any required certification. If the Training Division Captain attains the rank of Captain, he or she may vacate the Training Division Captain position and assume command rank (Captain) position only when a vacancy exists.

The assignment of Training Division Captain will be offered first to Lieutenants. If none of the Lieutenants apply, the position shall be offered to those on the list for promotion to Lieutenant. If no one on the list for promotion to Lieutenant applies, the position shall be offered to Fire Fighters with five or more years of seniority. If there is more than one applicant, the selection will be made by a panel consisting of three members from other departments, one of whom shall be a training officer. If a training officer is not available, the alternative member shall be of the rank of Captain or equivalent.

The City shall create a promotional list based upon the results of the oral examination which shall be valid for three years, with the first person on the list receiving the appointment. In case of a tie, the most senior person in the rank shall be appointed.

The Training Division Captain shall serve a three-year term, at the expiration of which he/she may request to be returned to his/her prior position, and a Training Division Captain shall be appointed for a new three-year term following the procedure set forth above. The incumbent Training Division Captain, at the expiration of his/her three-year term, may continue in the position, without testing to do so, in one-year increments, subject to the approval of the Chief of the Department.

Should the Training Division Captain wish to vacate the office prior to the expiration of his/her term, he/she must seek approval from the Chief of the Department and, if approved, the next person on the valid promotional list will be appointed. If no list exists, a new one will be created in the manner set forth above.

The Training Division Captain must attain certification by the Michigan Fire Fighters Training Council as Fire Officer II and as an instructor within one year of appointment. The City will pay training costs according to Section 11.8 (a).

The Training Officer Captain may also be removed by the City at any time for cause and returned to his or her prior position. The decision of the City to remove the Training Division Captain shall be subject to appeal only under the Grievance Procedure and shall not be subject to appeal under Act 78 of the Public Acts of 1935, as amended.

17.5 Paramedic Coordinator. The Paramedic Coordinator shall have the acting title, uniform and insignia of Captain, but shall have the line rank privileges of the rank held prior to appointment. The Paramedic Coordinator shall receive the starting wages established for the rank of Captain plus the Paramedic differential and will receive the appropriate incremental raises thereafter. The Paramedic Coordinator position shall be offered first to Lieutenant/Paramedics, and if none apply, then to Fire Fighter/Paramedics with five years as a paramedic on a certified Lieutenants list. If no Fire Fighter/Paramedic on the Lieutenants list applies then the position shall be opened to application by any Fire Fighter/Paramedic. A Paramedic Coordinator who meets the requirements to do so may compete for the next higher rank. If he/she attains that rank, he/she may vacate the Paramedic Coordinator position and assume the line position only when a vacancy exists. The Paramedic Coordinator may return to the position previously held only when a vacancy exists or upon the expiration of his/her term.

QUALIFICATIONS

1. Must be certified by the Michigan State Department of Public Health as an Emergency Medical Technician-Paramedic and will maintain that certification during his/her tenure as Paramedic Coordinator. The City will pay all training costs according to Section 11.8(a).
2. Must achieve certification by the State of Michigan as Instructor Coordinator within one year of accepting the position and maintain that certification during his/her tenure as Paramedic Coordinator. The City will pay all training costs according to Section 11.8(a)

3. Must be self-directed and have the ability to work effectively with all levels of management within the Fire Department, hospitals and community.

The selection will be made by a panel consisting of three members from other fire departments holding the rank of Captain or higher, one of whom shall be a Paramedic Coordinator. If a Paramedic Coordinator is not available, the alternative member shall be of the rank of Captain or above.

The City shall create a promotional list based upon the results of the oral examination which shall be valid for three years, with the first person on the list receiving the appointment. In case of a tie, the most senior person in the rank shall be appointed.

The Paramedic Coordinator shall serve a three-year term, at the expiration of which he/she may request to be returned to his/her prior position and a Paramedic Coordinator shall be appointed for a new three-year term following the procedure set forth above. The incumbent Paramedic Coordinator, at the expiration of his/her three-year term, may continue in the position, without testing to do so, in one-year increments, subject to the approval of the Chief of the Department.

Should the Paramedic Coordinator wish to vacate the office prior to the expiration of his/her term, he/she must seek approval from the Chief of the Department and, if approved, the next person on the valid promotional list will be appointed. If no list exists, a new one will be created in the manner set forth above.

The Paramedic Coordinator may also be removed by the City at any time for cause and returned to his/ her prior position. The decision of the City to remove the Paramedic Coordinator shall be subject to appeal only under the Grievance Procedure and shall not be subject to appeal under Act 78 of the Public Acts of 1935, as amended.

17.6 Promotional and Testing Procedures. The Labor-Management Committee (see Article 20) shall design (at City expense) statistically validated promotional testing and selection procedures that include the following elements: written test items, oral examination items, and prior job related experience as measured by seniority. The Committee will establish a maximum time period for validation (but no longer than 24 months from inception). The Committee, by majority vote, shall recommend the validated testing procedure be adopted by the Civil Service Commission. If the Committee does not reach a majority decision, the Committee's validated testing procedure shall not be adopted or implemented.

ARTICLE 18
FIRE FIGHTER PARAMEDICS

18.1

- (A). All new entry level employees hired on and after the ratification date of the agreement succeeding the agreement which expired June 30, 1997 must obtain certification by the State of Michigan as Basic-EMTs at the City's expense before the end of their probationary period and keep this certification current. Employees hired after 8/26/86 but before the above cited ratification date may be required to obtain certification by the State of Michigan as Basic-EMTs. Any employee hired after 8/26/86 may be required to be trained at the City's expense to the Advanced-EMT level (Paramedic) and be certified by the State of Michigan and perform as a paramedic fire fighter for a minimum period of five years subject to the following paragraph.

After serving five years as a paramedic, a paramedic may notify the Fire Chief in writing that he or she desires to cease the paramedic assignment. If there is an employee who is already trained as a paramedic and who is available to replace the paramedic, the paramedic may cease the paramedic assignment. If a replacement is not trained and available, the paramedic must remain in the paramedic assignment until a replacement is trained and available or until the paramedic has served an additional year as a paramedic, whichever is sooner.

- B. Any employee hired after January 21, 2005, who is not already certified by the State of Michigan as an Advanced-EMT may be required to be trained at the City's expense to the Advanced-EMT level (Paramedic) and be certified by the State of Michigan and perform as a paramedic fire fighter for a minimum period of ten years. A paramedic fire fighter who promotes to lieutenant before performing ten years as a paramedic must serve the balance of ten years as a paramedic lieutenant. A paramedic fire fighter who becomes a drive-engineer, mechanic or inspector before performing ten years as a paramedic must maintain their paramedic license and serve the balance of ten years as a paramedic if the member returns to the position of fire fighter.

After serving ten years as a paramedic, a paramedic may notify the Fire Chief in writing that he or she desired to cease the paramedic assignment. If there is an employee who is already trained as a paramedic and who is available to replace the paramedic, the paramedic may cease the paramedic assignment. If a

replacement is not trained and available, the paramedic must remain in the paramedic assignment until a replacement is trained and available or until the paramedic has served an additional year as a paramedic, whichever is sooner.

- C. All Fire Fighters hired after February 1, 2017 must have or obtain basic EMT certification within twelve (12) months of date of hire, and maintain such certification throughout tenure of employment. In addition, all Fire Fighters hired after February 1, 2017 must obtain Paramedic licensure within three (3) years of date of hire, or within three (3) years of official notification from Fire Chief to commence Paramedic training, whichever is later. Once obtained (whether prior to or subsequent to hire by the City of Southfield), Paramedic licensure must be maintained throughout tenure of employment. Failure to obtain or maintain certification and/or licensure will result in discipline, up to and including termination, at the sole discretion of the City. Such discipline, up to and including termination, shall not be subject to review through the grievance/arbitration or Civil Service processes.

The City of Southfield will pay for Basic EMT certification training and one Paramedic training course; employees may be reassigned to an alternate work schedule to accommodate training/school schedule and staffing considerations. The City of Southfield may pay for one refresher Paramedic training, at the discretion of the City of Southfield; such refresher training shall be obtained on the employee's own time (i.e., not paid time by the City).

Firefighters trained as a Paramedic will not be paid as a Paramedic until they are permanently so appointed.

18.2 The City will post the opportunity for fire fighters to be trained as paramedics, along with the notification that any fire fighters so trained will not be paid as paramedics until they permanently are so appointed.

- a. The list for appointment to paramedic shall not exceed five fire fighters.
- b. Fire fighters who apply to be on the list of five positions and who already have State paramedic certification will be placed on the list if no other fire fighter with more seniority applies to go to school. Fire fighters who are attending department sponsored paramedic school will reserve the next position on the list based first on their date of graduation and second on department seniority.

In the event the list is filled when a fire fighter graduates from paramedic school, he/she shall be placed on the list, when an opening occurs, according to department seniority.

- c. Fire fighters who apply and who do not have paramedic certification will be provided the opportunity for the required training. A minimum of two fire fighters will be permitted to attend City-paid training at any one time if they are senior to anyone on the list of five. If more than two fire fighters apply, the applicants will be provided training based on seniority. Upon attaining Paramedic certification, they will be placed on the list.
- d. When the department fills a vacancy for a paramedic, the fire fighter who has been on the list for the longest period of time will be selected. The department will not pay or use as paramedics those fire fighters with paramedic certification until they are given a permanent appointment and are paid as fire fighter paramedics.

18.3 Paramedics who work a 24-hour schedule shall receive an annual bonus of \$750 upon completion of six years of service. Paramedics who work a 24-hour schedule shall receive an annual bonus of \$1,250 (\$750 + \$500) upon completion of eleven years of service. These bonuses shall be paid to paramedics who meet the service requirement as of 7/1/02. Thereafter, the bonus shall be paid in the pay period following the attainment of the specified years of service. It shall be the responsibility of the fire department to notify accounting that the payment is due. The employee must be in the employ of the fire department on the anniversary date of becoming a paramedic to be eligible to receive the bonus.

ARTICLE 19 SAFETY COMMITTEE

19.1 The City Safety Committee will assist the Department in providing safe work areas and equipment for all employees within the Department.

ARTICLE 20 LABOR-MANAGEMENT COMMITTEE

20.1 There shall be created a Labor-Management Committee which shall consist of not more than four (4) representatives of the Association and four (4) representatives of the City, unless otherwise mutually agreed. The Committee shall meet on a regular basis at mutually convenient time and place for the purpose of discussing problems and issues of mutual interest and concern.

**ARTICLE 21
MAINTENANCE OF CONDITIONS**

21.1 Wages, hours and conditions of employment in effect at the execution of this Agreement shall, except as stipulated herein, be maintained during the term of this Agreement. This provision is subordinate to, and shall not supersede or negate any other provision of this Agreement.

**ARTICLE 22
LONGEVITY**

22.1 Longevity shall be paid annually in December based upon the formula indicated below. Percentages shall be computed on base rate of pay December 1 immediately preceding payment. Years of service shall be continuous years of service with the City through December 31 of the payment year. Employees must be actually in the employ of the City on date of payment to be eligible for longevity. Employees on disability leave shall continue to accrue and be paid longevity pay.

21.2 Longevity at retirement shall be paid on the basis of the full quarter from date of actual retirement (January 1 through March 31 - one quarter (1/4); April 1 through June 30 - one half (1/2); July 1 through September 30 - three quarters (3/4); October 1 through December 31 - full).

Employees Hired Prior to September 12, 2011

Years Service	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>15 Years</u>	<u>20 Years</u>
Percentage	1%	2%	4%	6%	8%

Employees Hired on or After September 12, 2011

Longevity for employees hired on or after September 12, 2011 shall be capped at \$2,500 and the longevity schedule for such employees shall be as follows:

Years Service	3 Years	5 Years	10 Years	15 Years	20 Years
Amount	\$312.50	\$625	\$1,250	\$1,875	\$2,500

**ARTICLE 23
FIRE SUPPRESSION**

23.1 The normal work week for fire suppression personnel is fifty-six (56) hours which is the average hours regularly scheduled per week during three (3), twenty-eight (28) day cycles.

23.2 Overtime shall be paid at the rate of time-and-one-half for all hours worked by assigned personnel in excess of regularly scheduled hours. The base rate for overtime shall be calculated as it is currently calculated, annual wage as shown in Appendix A divided by 2080.

23.3 Compensatory time shall be credited at the rate of two-thirds (2/3) hours for regularly scheduled and paid hours in excess of 212 hours in a twenty-eight (28) day cycle. The parties agree that this compensatory time shall be scheduled off according to the current practices of scheduling each fire suppression employee one day off in an eighty-four (84) day cycle.

23.4 It is the intent of this article to continue current practices of overtime payment and hours reduction furlough time.

**ARTICLE 24
CALL BACK**

24.1 All personnel are subject to call-back at any time due to an emergency. The minimum guarantee is two (2) hours pay at regular overtime rate provided such personnel are not within two (2) hours of start of regular duty shift or one (1) hour after end of regular duty shift. Employee shall be required to stay on duty for the duration of the emergency and relieved by the shift commander.

**ARTICLE 25
COURT TIME**

25.1 If a bargaining unit member is subpoenaed to appear in court in connection with his employment, the City shall pay the member for all hours expended in the court appearance while off duty at the member's overtime rate. The member shall tender to the City any subpoena fees received for a City-reimbursed court appearance.

**ARTICLE 26
HOLIDAY PAY**

26.1 All uniformed personnel shall be paid at regular rate for thirteen (13) holidays per calendar year, based on the following holidays:

Memorial Day	Veteran's Day	Independence Day	Christmas Day (1.5 days)
Labor Day	New Year's Day (1.5 days)		
Columbus Day	Employee Anniversary	Hire Date	
Thanksgiving Day	Employee's Birthday		
Day after Thanksgiving	Martin Luther King Day		

Effective 1/1/03, September 11 is added as a holiday.

26.2 Payment for holidays, except birthday, shall be made annually in December of each year. The December payment is for the holidays that have occurred since the date of the previous December payment. Newly hired personnel shall be paid on the basis of date of hire and number of above holidays occurring after said date of hire. Duty assignment on a holiday shall not affect holiday pay. Employees who are on disability leave on the date of the holiday shall accrue and be paid holiday pay.

The parties had previously agreed to reduce annual holiday pay by 24 hours in each of the following fiscal years: July 1, 2010 – June 30, 2011, and July 1, 2011 – June 30, 2012. However, the dollar value of the such holiday pay shall be imputed for purposes of calculation of FAC.

**ARTICLE 27
FOOD ALLOWANCE**

27.1 Effective July 1, 2002, the City shall provide an annual food allowance of \$650 per year for all employees payable each July. Employees who are hired after July 1 of any fiscal year shall receive a prorated food allowance for the balance of the fiscal year.

Effective July 1, 2008, the food allowance shall be increased by \$100 per year to \$750 per year.

ARTICLE 28 ACTING RANK

28.1 Personnel assigned to perform the duties of a higher established rank shall be paid at the next higher rate for performance of said duties beginning with the effective date of the assignment, not to exceed ninety (90) days unless the employee is acting for an employee on leave or long-term disability. Step increases shall be determined from the date the employee was placed in the acting rank. Performance in the acting rank must be continuous to count for a step increase.

Effective upon the ratification of the agreement by both parties, the person selected for acting rank for 30 days or less shall be the highest placed person on the promotional list from the unit where the vacancy occurs.

Time spent in an acting rank, whether contiguous to a permanent appointment or not, does not count as time in rank for any purpose except step increases as provided in this section.

Personnel transferring to another unit to perform the duties of a higher established rank shall not maintain vacation selection(s) that would require overtime on the unit transferred to because of vacations already scheduled on that unit. If the individual wishes to maintain the vacation selection(s), the City will move down the list to temporarily assign another individual who will accept the assignment without causing overtime for the duration of the conflicting vacation. Once on the unit, personnel may select vacation according to the normal furlough guidelines.

28.2 At a station at which a lieutenant is not assigned for twelve or more hours for the day or at Station 5 if there is only one officer for twelve or more hours for the day, the fire fighter who assumes the duties of the lieutenant rank shall be paid for the hours worked as a lieutenant at the first step of the lieutenant rank. The assignment shall be offered in seniority order to fire fighters assigned by the Battalion Chief to the station that day. The Battalion Chief shall determine all personnel to be assigned to the station.

28.3 Effective upon the ratification of the agreement by both parties, if a captain works for 12 or more hours on a work shift in place of a battalion chief, the captain shall receive the starting rate for a battalion chief for all hours worked.

28.4 Effective upon the ratification of the agreement by both parties, if a fire inspector works a full day in place of the fire marshal, the inspector shall receive the starting rate for the fire marshal.

ARTICLE 29 HOSPITALIZATION AND OPTICAL INSURANCE

29.1 The City shall provide paid hospitalization insurance with coverage and benefits the same as or equal to the Blue Cross/Blue Shield Community Blue PPO 10 plan with \$250/\$500 deductible; 90% co-insurance; out of pocket maximum: \$500/\$1,000; \$5/\$30/\$60 drug co-pay, \$10 office visit co-pay, including chiropractic visits and \$50 emergency room co-pay, if not admitted.

Effective as soon as practicable after October 14, 2016, the City may offer as an optional health insurance benefit the Blue Cross/Blue Shield Community Blue 12 plan, consisting of \$1000/\$2000 annual deductible; 80% coinsurance; \$30 office visit co-pay; \$150 Emergency Room co-pay; \$7/\$35/\$70 Rx, with premium contribution in compliance with PA 152 as approved by City Council.

The parties acknowledge that they are subject to the Publicly Funded Health Insurance Contribution Act, MCL 15.561, *et seq.*, being Public Act 152 of 2011 as amended, and that the Employer has the right to make the elections and allocations described in that Act. It is agreed that the employees shall be required to make any contributions required under the Publicly Funded Health Insurance Contribution Act through payroll deduction. If the Publicly Funded Health Insurance Contribution Act (PA 152 of 2011) ("the Act") is repealed or rendered inapplicable to the bargaining unit, the parties agree that the terms of the Act immediately prior to repeal or inapplicability shall continue until modified by a mutual agreement of the parties. The parties agree to meet to negotiate over the issue within sixty (60) days of the repeal or inapplicability of the Act.

The City will establish an IRS qualified Flexible Spending Account program as soon as practicable following ratification by the parties.

The optical insurance shall utilize the "usual and customary" standard. Contacts and eyeglasses may be replaced once annually with examination and with prescription changes.

Employees who retire after November 18, 2002 shall be able to participate in the annual open enrollment selection of health care providers for retirees. The selection is subject to change at the sole discretion of the City.

Effective September 12, 2011]: The Prescription Drug Co-Pay for all plans for active employees and individuals who retire after September 12, 2011 shall be \$5/\$30/\$60 (whether or not there is a generic equivalent). For participants in an HMO, members will pay the Brand Drug Copayment when a physician requests a Brand Drug as "Dispensed as Written" and a Generic equivalent is available. Members who request a Brand Drug when a Generic Drug is available will be responsible to pay the Generic Copayment plus the difference between the cost of the Generic Equivalent and the Brand Drug where this is required by HMO rules.

29.2 Employees retired under the duty disability provision of Act 345 shall receive the hospitalization in effect for active employees at the time the employee retires until the time the disability retirement is recalculated at age 55 pursuant to Act 345. At this time, the retirant shall be provided retiree health insurance on the terms then in effect for normal age and service retirement.

29.3 An employee retired not under the duty disability provision of Act 345 may retain his/her hospitalization insurance through the City at his/her own expense; provided, however, that the carrier of such hospitalization insurance allows same.

29.4 Normal Age and Service Retirement.

- (a) Subject to the provision of this Section 29.4 , the Employer will make available the following retiree health insurance benefit for all Employees hired prior to September 12, 2011 and their spouses (Spouses shall be understood to include spouses receiving a pension pursuant to Section 37.7):

Blue Cross/Blue Shield Community Blue PPO 10 plan with \$250/\$500 deductible; 90% co-insurance; out of pocket maximum: \$500/\$1,000; \$5/\$30/\$60 drug co-pay, \$10 office visit co-pay, including chiropractic visits and \$50 emergency room co-pay, if not admitted.

Effective September 12, 2011: The Prescription Drug Co-Pay for all plans for active employees and individuals who retire after November 1, 2011 shall be \$5/\$30/\$60 (whether or not there is a generic equivalent). For participants in an HMO, members will pay the Brand Drug Copayment when a physician requests a Brand Drug as "Dispensed as Written" and a Generic equivalent is available. Members who request a Brand Drug when a Generic Drug is available will be responsible to pay the Generic Copayment plus the difference between the cost of the Generic equivalent and the Brand Drug where this is required by HMO rules. After the ratification of the agreement by both parties, there will be a 30-day open enrollment for health insurance.

Employees who retire after the ratification of the contract by both parties shall be able to participate in the annual open enrollment selection of health care providers for retirees. The selection is subject to change at the sole discretion of the City.

For employees who retired or retire after 7/1/92 the health insurance coverage shall include dependents of retired members through age 19 and, if full-time students through age 25. Coverage for these dependents shall be based on the same criteria and conditions as dependents of active employees. Coverage shall begin upon completion of the enrollment procedures and shall apply to claims occurring after enrollment.

In the event of eligibility for Medicare Insurance, the retiree and/or his spouse shall make application for said insurance. The Employer shall then provide a hospitalization and medical insurance program to supplement Medicare to equal the hospitalization and medical insurance coverage as provided above.

Retiree health care coverage for those hired prior to September 12, 2011 shall be subject to the following:

A retiree with at least 20 years of credited pension service at retirement, but less than 25 years of credited pension service at retirement (including any period spent in the DROP plan), shall be required to pay \$75 per month for retiree. Spousal coverage may be added for an additional \$150 dollars per month. (Retiree and spouse costs a total of \$225 per

month). A retiree may add coverage for all eligible dependents by paying ½ of one single premium or illustrative rate per month.

A retiree with at least 25 years of credited pension service at retirement (including any period spent in the DROP plan) shall be required to pay \$30 per month for retiree. Spousal coverage may be added for an additional \$120 dollars per month. (Retiree and spouse costs a total of \$150 per month). A retiree may add coverage for all eligible dependents by paying ½ of one single premium or illustrative rate per month.

No retiree health care benefit will be provided by the City for a retiree with less than 20 years of credited pension service at retirement, regardless of any vested pension benefit. However, such a retiree or terminated employee will receive a full refund of any employee contributions made to the Southfield Retiree Healthcare Benefits Plan and Trust.

Employees and/or survivors who qualify for a duty-death or duty-disability pension under the terms of Act 345 as modified by the Collective Bargaining Agreement between the City and the Union shall receive the retiree health care benefit described hereinafter as if the employee had obtained 25 years of credited pension service.

Retirees may elect to participate in the City's dental and/or optical insurance plan by paying 100% of the applicable premium or illustrative rate and authorizing the City to have 100% of the applicable premium or illustrative rate for the dental and/or optical insurance deducted from the retiree's retirement checks. This election may be made within one year after the date of retirement, or at a later date if the retiree can produce a certificate showing that the retiree had dental and/or optical insurance from another source from one year after the date of retirement until the date of application for dental insurance. Retirees must maintain paid participation in the elected dental and/or optical plan for a minimum period of one year. Retirees who terminate their participation will lose their eligibility to participate again. Once the election has been made, the insurance coverage will be made available as soon as practical. This option will be available as soon as is practical after October 14, 2016.

- (b) Employees hired on or after September 12, 2011 shall not be entitled to City funded retiree health, dental or optical care, but shall continue participation in the Retiree Health Care Savings Account.

In lieu of Retiree Health Care, the City will contribute \$200 per each month the employee works to a fund, which will be available upon retirement for purchase of healthcare. Employees will contribute 2% of gross wages. The following vesting schedule will apply to Employer Contributions:

3 years of service:	50% vested
4 years of service:	75% vested
5 years of service:	100% vested

Following the date of the Award in MERC Case No. D15 E-0461 (October 14, 2016), Employees hired between September 12, 2011 and September 30, 2012 shall receive a one-time, lump sum deposit to their Retiree Health Care Savings Account equal to one year's worth of City Contributions (\$2,400).

- (c) A retired employee who is eligible to receive health insurance from any subsequent employer must take this insurance. The employer's insurance will then be primary and the retiree health insurance will be secondary.
- (d) The spouse to whom retiree health insurance is made available is the spouse to whom the retirant was legally married on both the effective date of retirement and the date of death. The City shall continue to provide health insurance for the retirant's surviving spouse and qualified dependents, unless the spouse is otherwise eligible for health insurance through the spouse's own employment or through subsequent marriage.
- (e) Employees hired prior to September 12, 2011 shall make a 1.0% RHC contribution effective July 1, 2007. Employees hired prior to September 12, 2011 shall make an additional 1% RHC contribution effective July 1, 2008. The wage adjustment and RHC contribution shall apply to retirees for the period of time they were employed.

29.5 The Retiree Health Care benefit contribution for the police and fire group for the 08-09 fiscal year was 16.68% of covered payroll. The City contributed 14.86% of covered payroll in

anticipation of a 2% of covered payroll contribution by the union groups. The City will continue its contribution when the union groups make their contribution.

29.6 Health Insurance Opt-Out

A. **Opt-Out and Bonus Payment if Covered Under Other Plan.** The parties agree to add the Medical Opt Out provision, in accordance with the City's standard policy for same, the provisions of which are stated below:

1. **Eligibility:** Employees can waive coverage for employer provided medical benefits and receive an incentive bonus **in lieu of coverage** if covered under:

- * A spouse's employer provided, non-City of Southfield group health plan.
- * A group health plan available through another employer.
- * Any other qualifying plan.

2. **Exclusions:** An employee is ineligible to receive the Opt-Out payment if he/she is:

- * Retired from the City of Southfield,
- * Covered by Medicaid,
- * Absent due to a Worker's Compensation injury in excess of three (3) months; opt-out benefits will be suspended, or
- * On a leave of absence during which City paid medical benefits are not provided.

3. **Incentive Benefit Period:** The incentive benefit will be spread equally over bi-weekly pay periods on a calendar year basis. Enrollment will take place during the City's annual open enrollment period. Payments will commence in January of the following year. Benefit will be pro-rated for participation of less than a full calendar year.

4. **Incentive (Opt-Out) Payment:**

- \$1,600.00 to employees with family coverage who waive City health benefits
- \$1,300.00 to employees with two-person coverage who waive City health benefits
- \$1,000.00 to employees with individual coverage who waive City health benefits.

These payments will be taxable to the recipient.

5. Enrollment:

- (a) New Employees will have 30 days after becoming eligible for City health benefits to complete an application for waiver (opt-out) and submit documentation of other coverage.

Applicants who miss the deadline will again be eligible at open enrollment.

- (b) Employees, other than new hires, must complete the application and documentation process during the annual Open Enrollment period of each year. An employee will be notified if his/her application is approved. Subsequent annual re-enrollment will not be required. An Employee will automatically be re-enrolled until such time as he/she reinstates City of Southfield health benefits. If an employee is terminated from the program, he/she will receive a termination letter.

6. Qualifying Events for Changes: Participation in the Opt-Out Waiver Program will remain in effect unless the employee files a form provided by the Human Resources Department indicating a Qualifying Event to withdraw from the program or to enroll in the program outside of the Open Enrollment period. Qualifying Events include:

- * A change in family status such as marriage, divorce, annulment, legal separation.
- * The death of a participant, spouse or dependent.
- * The birth or adoption of an eligible dependent child.
- * Meeting the terms of a Medical Support Order of the court.
- * Termination of employment, including retirement.
- * A change in spouse's coverage which is significant and outside the control of the spouse.
- * The participant's spouse has a change in employment status, which results in a change of health insurance coverage.
- * The taking of, or returning from, an approved unpaid leave of absence (LOA) by the participant. Upon returning, employees may apply for reinstatement within 30 days of returning to work.

7. Reinstatement of City Health Benefits:

To reinstate health benefits for the following year, employee must submit application to reinstate to Human Resources during Open Enrollment period.

To reinstate health benefits due to a qualifying event, the employee must provide proof of the event. Documentation and request for reinstatement must be received within 30 days of the qualifying event. If approved, reinstatement may be made retroactive to the date of the qualifying event. The IRS does not permit retroactive participation to a prior plan year.

8. Pension: Opt Out payments will not be included in Final Average Compensation.

B. One Health Plan for Married Employees/Retirees and Bonus Payment

For Effective October 16, 2016, active employees and future retirees, in the case of married couples where both spouses work for the City, or both spouses are retired from the City, or one spouse works for the City and one spouse is retired from the City, only one spouse will be eligible for a health insurance policy, and may include the other spouse and dependents if eligible. The right to elect which employee or spouse shall receive the coverage shall be made by the employee during open enrollment. The failure of an employee or retiree to make the election shall result in the election being continued from the prior year. In the event no prior election was made, the employee or retiree with the earliest hire date by the City will be designated to be the person receiving the coverage. Any employee who is a member of the bargaining unit and who is covered under his or her spouse's policy, regardless of whether his or spouse is a City employee or retiree, will be eligible for an opt out benefit equal to \$1,300 for two-person coverage and \$1,600 family coverage for opting out of the City's health insurance plans. Employees and retiree may re-enroll immediately upon qualifying change in family status or loss of the other coverage, which must be submitted within 30 calendar days of the change. Full Opt out payments are provided for Opting Out of Medical, Dental, and Optical insurance.

**ARTICLE 30
DISABILITY INSURANCE**

30.1 The City agrees to provide injury, illness, or disability income protection for all employees of the Association, subject to the following conditions:

30.2 Coverage to be seven (7) days per week, twenty-four (24) hours per day.

30.3 Duration of payments to be for a maximum of five (5) years illness, injury, accident or disability. The waiting period shall be sixty (60) days from the date of occurrence, during which time the affected employee shall receive 100% of base pay and 80% of base pay thereafter. For a condition arising from the same or related causes, the following conditions shall apply: An employee must return to active service (i.e. actually present and working) for a period of four (4) months to re-establish eligibility for the maximum benefit periods. If the return to active service is for less than four (4) months, the periods of disability shall be added together and the maximum limits shall be applied to the sum.

30.4 The past practices concerning limited duty assignments in effect as of the date of this Agreement shall be continued. All limited duty assignments shall concern work related to the Fire Department.

30.5 If an employee is not able to return to the employee's regular duty after one year or more from the beginning of a disability, and if, in the case of a non-duty disability, the employee has the five or more years of service credit required by Act 345 for a non- service-connected disability retirement, the city may retire the employee on a disability retirement.

An employee on duty-related disability retirement shall: (a) continue to accrue service credit and, at the employee's option, shall be permitted to take a regular retirement if eligible; (b) for a maximum period of five years from the beginning of the disability, receive the difference between the disability retirement and 80% of the current base pay in effect for the position from which the employee retired; at the end of this period Section 30.8 shall apply. The sixty percent (60%) of "base pay" under Section 30.8 shall be the base pay in effect at the end of the five (5) year period.

An employee on non-duty-related disability retirement shall: (a) accrue service credit for retirement for a period of five years from the beginning of the disability and, at the employee's option shall be permitted to take a regular retirement if eligible during this period; (b) for a maximum period of five years from the beginning of the disability, receive the difference between the disability retirement and 80% of the current base pay in effect for the position from which the employee retired; at the end of this period Section 30.8 shall apply. The sixty

percent (60%) of "base pay" under Section 30.8 shall be the base pay in effect at the end of the five (5) year period.

Where there is a difference of opinion between the employee's personal physician and a physician chosen by the City as to whether the employee is able to perform his normal work assignment at any time within five years from the beginning of the disability including when the employee is on a disability retirement, a third independent opinion will be obtained from a physician chosen by the employee's physician and the City's physician. If the third physician cannot be mutually agreed upon within five (5) working days of a request for same, the dispute shall be referred to the Chief of Service of either Henry Ford Hospital or University of Michigan Hospital, within whose specialty the symptoms lie. Such Chief of Service shall designate a physician. The determination of the third physician made at the City's expense shall be binding on the parties.

Note:

1. A member who is retired on a duty related or non-duty related disability retirement under Section 30.5 and who is age 55 or above or who reaches age 55 during the five year period from the beginning of the member's disability, shall receive the benefits specified in Section 30.5 and shall be eligible to take a regular retirement under Act 345 (not a regular disability retirement) during the five year period from the beginning of the member's disability.
2. If a member who is retired on a duty related or non-duty related disability retirement under Section 30.5 dies within the five year period from the date of the member's disability, and leaves a surviving spouse, Section 37.7 shall apply as if the member had not been retired. For purposes of computing benefits under this subsection, the member shall be given service credit for the period the member was on duty related or non-duty related disability retirement.
3. If the City retires a member on a duty related or non-duty related disability retirement under Section 30.5, it agrees that the member shall continue to receive the medical and/or rehabilitation benefits to which the member would be entitled under the Michigan Worker's Compensation Act, as if the member had not been retired. This provision shall apply only during the maximum five year period of Section 30.5. This provision does not negate any offsets between Worker's Compensation and retirement benefits.

4. Section 30.5 notwithstanding, the City may petition the disability retirement of an employee pursuant to Act 345 and without Section 30.5, and in this case Section 30.5 or any agreed clarifications thereof shall not apply.
5. An employee taking a regular retirement pursuant to Section 30.5 shall receive health insurance as provided in Section 29.4 for normal age and service retirement.

30.6 Payments hereunder shall be integrated with other types of income or payments such as Workers' Compensation and/or pension benefits to arrive at maximum as prescribed herein.

30.7 Other requirements and/or restrictions not in conflict herewith which may be imposed by the insurance carrier shall be applicable and are incorporated herein.

30.8 In the event of a disability wherein a disability retirement is granted under provision of Act 345 of 1937, as amended, the member shall continue to be paid the difference between the retirement pay and sixty (60%) percent of base pay for the term of said disability retirement.

For a duty-disability retirement occurring after 7/1/02 only, if and when the base salary of the position from which the member disability retired increases to the extent that the disability payment is less than 51% of the current base salary for the classification, the pension shall be recalculated to provide the retired member 51% of the current base pay. This pension shall continue until age 55. At age 55, the disability pension shall be set at the amount the member is receiving.

For the purpose of determining continuing eligibility for disability retirement benefits, once each year during the first 5 years after the disability retirement and once in every 3-year period thereafter, the City may require an examination by a physician selected by the City to determine whether or not the member continues to be disabled from working as a fire fighter. Where there is a difference of opinion between the member's physician and the physician chosen by the City as to the member's disability, a third opinion will be obtained at the City's expense from a physician chosen by the employee's physician and the City's physician. The determination of the third physician shall be binding on the parties.

30.9 The full cost of the disability pension and supplemental benefits representing the difference between the disability retirement benefits provided by Act 345 and the stated percentages of base pay in Sections 30.5 and 30.8 of the Collective Bargaining Agreement shall

be paid by the City of Southfield Fire and Police Retirement System. This provision shall apply to current as well as future disability retirees.

30.10 For a condition arising from the same or related causes, the following conditions shall apply: An employee must return to active service (i.e. actually present and working) for a period of four (4) months to re-establish eligibility for the maximum benefit periods. If the return to active service is for less than four (4) months, the periods of disability shall be added together and the maximum limits shall be applied to the sum. Every employee utilizing the disability income protection program shall be entitled to the following benefits only:

(A) Non-duty Disability: Paid hospitalization, optical, dental and life insurance for four months commencing from the date of illness or accident; then, the employee may participate in the hospitalization program at the employee's own expense.

(B) Duty Disability: All benefits to which the employee would normally be entitled if he/she were working will be paid for the first 12 months following the date of disability.

1. After the first twelve (12) months following the date of the duty disability, the employee will receive the following benefits:
 - (a) City paid hospitalization program.
 - (b) City paid life insurance program.
 - (c) City paid dental and optical insurance

ARTICLE 31 LIFE INSURANCE

31.1 The City shall provide paid term life insurance with accidental death and dismemberment rider in the amount of \$50,000 beginning with the date of hire.

ARTICLE 32 DENTAL INSURANCE

32.1 The City agrees to provide a type of dental expense coverage to the employees and dependents (spouse and eligible children). Limits of coverage shall be as may be imposed by the insurance carrier. The entire cost of dental insurance, including dependent coverage, shall be paid for by the City.

Dental Insurance shall provide coverage of students between the ages of 19 and 25.

Effective as soon as is practical after November 18, 2002 (anticipated to be not less than 60 days), the dental insurance maximums shall be increased to \$2,000 as set forth in the benefit summary attached to this agreement.

**ARTICLE 33
CLOTHING ALLOWANCE**

33.1 Allowance as indicated below shall be credited to each employee's account annually (July 1st). Clothing purchases in accordance with department regulations and City purchasing programs shall be charged against that account. Balance of annual clothing allowance remaining in account on June 30th shall be cumulative.

Fire Fighter	\$350
Driver/Engineer	
Paramedic	
Mechanic	\$450
Mechanic Coordinator	
Inspector	\$375
Lieutenant Captain Battalion Chief	
Senior Inspector	
Fire Marshal	

Employees who are hired after July 1 of any fiscal year shall receive a prorated clothing allowance for the balance of the fiscal year.

Upon promotion to Inspector, Lieutenant, Captain, Battalion Chief or Fire Marshall there shall be a one-time \$100 credited to the employee's balance.

33.2 New Employees - First Issue Uniforms used in the performance of their duties shall be furnished without cost to new employees by the City as follows:

3 Sets Work Uniforms

1 Pair Shoes

1 Dress Pants	2 Breast Badges
1 Dress Blouse	1 Hat Badge
3 Dress Shirts	1 Name Tag
1 Dress Hat	1 Uniform Tie
2 Belts	1 All Weather Coat

The dress pants and blouse will be furnished after the successful completion of the probationary period.

33.3 The City shall reimburse employees for the usual and customary expense of replacing a damaged watch crystal, upon approval of the Chief, if the damage is incurred while on duty.

**ARTICLE 34
CLEANING ALLOWANCE**

34.1 Allowance as indicated below shall be paid to each employee annually (July).

Fire Fighter	\$300
Mechanic	
Senior Mechanic	
Driver-Engineer	
Paramedic	
Inspector	\$350
Lieutenant	\$350
Captain / Battalion Chief	\$350
Senior Inspector	\$350
Fire Marshal	\$350

Employees who are hired after July 1 of any fiscal year shall receive a prorated cleaning allowance for the balance of the fiscal year.

**ARTICLE 35
LINEN**

35.1 In order to initiate the new linen program, the City shall on a one time basis, purchase for each bargaining unit member, two (2) sets of sheets with pillow cases; two (2) towels and two (2) wash cloths.

35.2 Effective July 1, 1987, the City shall pay each bargaining unit member hired on or after July 1987 I, fifty (\$50.00) dollars to provide for the purchase of the linen items listed above.

35.3 Effective July 1, 1987 and annually thereafter, the City shall pay thirty (\$30.00) dollars to each bargaining unit member for the replacement and maintenance (including cleaning) of the linen items listed above.

Except as indicated above, the City shall not provide or maintain the linen items listed above.

ARTICLE 36 DEFERRED COMPENSATION

36.1 All employees shall have the right, effective July 1, 1981, to participate in the City Deferred Compensation Program, subject to the limits thereof.

ARTICLE 37 RETIREMENT

37.1 (A) Employees hired Prior to September 12, 2011:

As currently in effect under State Act 345. For a member of the bargaining unit who retires on or after 7/1/88, retirement eligibility shall be with 20 years of service regardless of age. Employee contribution five (5%) percent earnings base for retirement purposes.

Effective October 5, 2009 through July 1, 2010, the five (5%) percent contribution shall be designated as follows: three (3%) of eligible compensation for retirement purposes shall be non-refundable and two (2%) of eligible compensation for retirement purposes shall be designated as refundable.

Effective July 1, 2010 through September 12, 2011, the contribution of five (5%) percent of eligible compensation for retirement purposes shall be non-refundable.

Effective September 12, 2011 employee contribution shall be a non-refundable three (3%) percent of eligible compensation for retirement purposes.

Effective September 12, 2011, pension contributions shall cease upon entry into the DROP. Any employee who entered the drop after October 5, 2009 shall be deemed to have made the pension contributions in the above three (3) paragraphs until such time they entered the DROP. Any contributions made after entry into the DROP until September 12, 2011 have been placed in the employee's DROP Participant Contribution Account.

(B) Employees Hired On or After Prior to September 12, 2011:

A member hired on or after September 12, 2011 shall make a non-refundable pension contribution of five (5%) percent of eligible compensation for retirement purposes. Pension contributions shall cease upon entry into the DROP

37.2 A member of the bargaining unit, who was hired prior to September 11, 2012 and who retires on or after 7/1/88, shall receive a regular retirement pension payable throughout his life of 2.8 percent of his average final compensation multiplied by the first twenty-five (25) years of service credited to him (70% of AFC maximum). A member of the bargaining unit hired on or after September 11, 2012, shall receive a regular retirement pension payable throughout his life of 2.5 percent of his average final compensation multiplied by years of service credited to him at retirement.

37.3 "Average Final Compensation," shall not include accumulated unused sick leave payment and accumulated unused vacation leave payment paid as a result of retirement. Education pay shall be included in final average compensation.

37.4 Effective for all members hired prior to September 11, 2012 and who retire on or after July 1, 1978, "Final Average Compensation" shall mean the average of the three (3) years of highest annual compensation received by a member during his ten (10) years of service immediately preceding his retirement or leaving service. Effective for all members hired on or after September 12, 2011, "Final Average Compensation" shall mean the average of the five (5) consecutive years of highest annual compensation received by a member during his ten (10) years of service immediately preceding his retirement or leaving service.

37.5 Effective May 3, 1986, employees in the bargaining unit shall have available to them, in addition to the retirement options already in place, an annuity withdrawal option as follows:

- (a) Definition: The annuity withdrawal is the option that allows members to withdraw their accumulated refundable contributions (with interest credited under the pension plan) at retirement. Effective 7/1/02, there shall not be a

reduction in the retirement allowance when a members withdraws accumulated contributions. For those members already in a DROP, a recalculation shall be made effective 7/1/02. The recalculation shall be based only on the eliminated reduction and not on the other elements of FAC.

- (b) A member wishing to elect this option must make written application to the Act 345 Pension Board no later than one hundred and twenty (120) days prior to the effective date of his retirement.
- (c) The Pension Board shall refund the member's refundable contributions as set forth in (a) above within thirty (30) days of the date of the member's retirement. The one hundred and twenty (120) day notice may be waived at the sole discretion of the Pension Board; however, under no circumstance can it be increased.
- (d) This Section shall have no application to any non-refundable employee contributions. Effective September 12, 2011, all employee contributions are non-refundable and not eligible for Annuity Withdrawal (including under the Premium Member Annuity Withdrawal Option) or refund to the employee under any circumstances; except that, such contributions shall be refunded to the member: 1) in the case of termination prior to vesting; 2) in the case of the member's death prior to retirement eligibility, to the member's beneficiary. In either case, such refund shall be in lieu of any and all pension benefits.

The parties understand and agree as follows concerning refundable employee contributions:

1. Effective October 5, 2009 through June 30, 2010, contributions of three (3%) of eligible compensation for pension purposes made by active employees who had not entered the DROP were designed as non-refundable, and shall not be deposited in or become part of any employee account and are not eligible for Annuity Withdrawal (including under the Premium Member Annuity Withdrawal Option) or refund to the employee under any circumstances; except that, such contributions shall be refunded to the member: 1) in the case of termination prior to vesting; 2) in the case of the member's death prior to retirement eligibility, to the member's beneficiary. In either case, such refund shall be in lieu of any and all pension benefits.

2. Effective July 1, 2010 through September 11, 2011, five (5%) percent of eligible compensation for pension purposes made by active employees who had not entered the DROP were designed as non-refundable, and shall not be deposited in or become part of any employee account and are not eligible for Annuity Withdrawal (including under the Premium Member Annuity Withdrawal Option) or refund to the employee under any circumstances; except that, such contributions shall be refunded to the member: 1) in the case of termination prior to vesting; 2) in the case of the member's death prior to retirement eligibility, to the member's beneficiary. In either case, such refund shall be in lieu of any and all pension benefits.

37.6 The Premium Member Annuity Withdrawal Option shall be provided as set forth in Appendix D, but shall be subject to the limits concerning non-refundable contributions set forth in Section 37.5 above.

37.7 Effective July 1, 1985, Section 6(1)(i) of Act 345 shall be amended to read as follows:

A member who continues in service on or after the date of acquiring 10 years of service credit and who does not have an option I election, provided for in subparagraph (j), in force, and dies while in service of the City or village before the effective date of his retirement, and leaves a surviving spouse, the spouse shall receive a pension computed in the same manner as if the member had (1) retired effective the day preceding the date of his death, (2) elected option I provided for in subparagraph (h), and (3) nominated the spouse as survivor beneficiary. Upon the death of the spouse, the pension shall terminate. A pension shall not be paid under this subparagraph on account of the death of member if benefits are paid under subdivision (2) on account of his death.

37.8 Death in the Performance of Duty Pension Benefits. If death results to a member in the line of duty, and the member leaves, a surviving spouse and/or children, the spouse and/or children shall receive the greater of the two pension benefits listed below:

- a. An Automatic Option I benefit, computed in the same manner as if the member had retired effective the day preceding the date of the members death, elected Option I provided in Act 345, 38.556, Section 6(1)(h), and nominated the spouse as survivor beneficiary. If the deceased member had less than 25 years of service credit at the time of death, the Automatic Option I benefits shall be computed as if the member had 25 years of service effective the day preceding the member's date of death.

If there is no surviving spouse at the time of a member's duty death, these benefits shall be paid into a trust fund for any surviving child(ren) and continue to be paid until each surviving child(ren) attains 18 years of age. Creation of the trust, and the cost of its administration, shall be the responsibility of representative(s) of the minor surviving child(ren). If there are both a surviving spouse and surviving child(ren) at the time of a members service-connected death, these benefits shall be paid for the life of the surviving spouse to the surviving spouse and, if at the death of the surviving spouse any surviving child(ren) are under 18 years of age, such benefits shall continue to be paid to such surviving child(ren) until they reach age 18. Payment of all such benefits shall cease, however, upon the remarriage of the surviving spouse.

OR

- b. Service-connected death benefits payable to surviving spouse and/or minor child(ren), as defined in Act 345, 38.556, Section 6 (2) (a) and (b).

Any benefits payable shall be offset by any WORKER COMPENSATION wage loss payments received, including any redemption amounts for wage loss.

Disputes as to whether the death of the member was "in the line of duty" for purposes of receiving these benefits shall be resolved by the City of Southfield Fire and Police Pension system board in accordance with Act 345.

The existence of a QDRO or EDRO shall not operate to increase the financial obligations of the City and Pension System in any case arising under payment of Duty Death benefits. Any payments directed under a QDRO or EDRO shall be offset against payments made to a surviving spouse. If the former spouse receiving QDRO or EDRO dies before the surviving spouse, the payments made to the surviving spouse shall thereupon be increased to include the amounts previously directed by QDRO or EDRO.

37.9 In computing final average compensation for pension, retroactive payments shall always be distributed over the time the payments were earned.

37.10 The parties agree that the service retirement eligibility shall be changed to 20 years of service regardless of age and to increase pension to 2.8% of final compensation multiplied by each of the first 25 years of service (70% of AFC maximum) for members of the bargaining unit, who were hired prior to September 11, 2012. A member of the bargaining unit hired on or after September 11, 2012, shall receive a regular retirement pension payable throughout his life of 2.5 percent of his average final compensation multiplied by years of service credited to him at retirement. The parties also agree that the City's portion of the cost of retiree health insurance shall be paid from the Act 345 pension levy.

It is specifically understood and agreed that the City's agreement to provide the improved pension benefits set forth herein is in exchange for, the Fire Reserve Program and the agreement to fund their cost of retiree health insurance through the Act 345 pension levy. And as part of this agreement, the association agrees to support and cooperate with the City in the implementation and administration of the Fire Reserve Program.

It is also specifically understood and agreed that the City's discontinuance of the Fire Reserve Program shall not affect the improved pension benefits set forth herein unless the Association has not supported and cooperated with the City in the implementation and administration of the Fire Reserve Program.

37.11 Effective upon ratification by both parties, adopt a Deferred Option Retirement Plan (DROP). Until September 12, 2011, the DROP contained a provision, set forth in Section H below, for DROP participants to contribute a defined percentage of eligible compensation to their DROP Participant Contribution Account. Effective September 12, 2011, members of the bargaining unit who entered the DROP no longer make employee contributions.

A. Overview. After attaining the minimum requirements for a normal service retirement/pension, any employee who is a member of the Southfield Fire Fighters Association ("SFFA") may at any time voluntarily elect to participate in the Southfield Fire & Police Retirement System Deferred Retirement Option Plan (hereinafter "DROP"). Upon commencement of DROP participation, the Participant's DROP Benefit shall be the dollar amount of the member's monthly pension benefit computed by using the contractual guidelines and formula(s) that are in effect on the DROP Date. During participation in the DROP, the Participant continues with full employment status and receives all future promotion and benefit/wage increases. The Participant's DROP Benefit shall be credited monthly to the

Participant's DROP Account which shall be established within the Defined Benefit Plan of the City of Southfield Fire and Police Retirement System (the "Fire and Police Retirement System" or "Plan"). The Participant's DROP Account shall be maintained and managed by the Board of Trustees of the Fire and Police Retirement System (the "Retirement Board"). Upon termination of employment, the retiree shall begin to receive payment(s) from his/her individual DROP Account as described herein. The DROP payment(s) are in addition to all other contractual pension benefits. The Participant is solely responsible for analyzing the tax consequences of participation in the DROP.

B. Eligibility. Any member of the Southfield Fire Fighters Association ("SFFA") may voluntarily elect to participate in the DROP at any time after attaining the minimum requirements for a normal service retirement/pension.

C. Participation Period. The maximum period for participation in the DROP is five (5) years (the "Participation Period"). There is no minimum period for participation. An employee must cease employment with the Southfield Fire Department within five (5) years from the date of their entering the DROP.

Upon termination of employment, the retiree shall receive the monthly retirement benefit previously credited to their DROP Account unless an Optional form of benefit is elected pursuant to subsection E. Failure to terminate employment at the expiration of the DROP Participation Period shall result in forfeiture of the Participant's monthly pension benefit otherwise payable to their DROP Account until termination of employment. Interest on the DROP Account however, will continue to accrue during such a forfeiture period.

D. Election to Participate. Once commenced, participation in the DROP program is IRREVOCABLE (except as specifically provided in subsection L herein). A member who wishes to participate in the DROP shall complete and sign such application form or forms as shall be required by the Retirement Board. The Retirement Board shall review the application within a reasonable time period and make a determination as to the member's eligibility for participation in the DROP. On the member's effective DROP Date, he or she shall become a DROP Participant and shall cease to be an active member of the Fire and Police Retirement System. The amount of credited service, multiplier and average final compensation shall be fixed as of the participant's DROP Date. Increases in compensation and accrual of additional service during DROP Participation will NOT be factored into the pension benefits of active or former DROP Participants (except as specifically provided in subsection L).

Upon execution by the SFFA and the City of the collective bargaining agreement which establishes this DROP, members qualifying for DROP participation shall have sixty (60) days to file a DROP election with the Retirement Board with an effective DROP Date commencing July 1, 1999 or later at the Participant's election. Upon expiration of said sixty (60) day period, members electing DROP Participation shall have an effective DROP Date no earlier than the member's date of application.

E. Drop Benefit. The participant's DROP Benefit shall be the regular monthly retirement benefit to which the member would have been entitled if the member had actually retired on the DROP Date (less the annuity withdrawal reduction as set forth in subsection F, if applicable). The participant's DROP Benefit shall be credited monthly to the participant's individual DROP Account. A member who elects to participate in the DROP may prior to or at the time of their termination of employment elect to receive his or her benefit in the form of the Plan's Option I or Option II benefit and nominate a named beneficiary. A member desiring to change their form of benefit at termination of employment must make such election prior to termination and will receive the actuarially computed revised benefit commencing on the member's effective date of termination. The term "spouse" for purposes of benefit qualification, shall mean the person to whom the retirant was legally married on both the effective date of termination of employment and the date of death.

F. Annuity Withdrawal. Subject to the limits on non-refundable employee contributions set forth in Sections 37.1 and 37.5, a member who elects to participate in the DROP may elect the Annuity Withdrawal Option provided by the Plan at the time of electing DROP participation. Such election shall be made commensurate with the Participant's DROP election, but not thereafter, and will be utilized to compute the actuarial reduction of the member's DROP Benefit, as well as the member's monthly retirement benefit from the Fire and Police Retirement System after termination of employment. The annuity withdrawal amount (accumulated refundable contributions) shall remain in the City of Southfield Fire and Police Defined Contribution Plan and shall not be subject to withdrawal from the Plan until termination of employment. A DROP Participant who has elected the Annuity Withdrawal Option shall, as of his/her DROP Date, have interest credited to the member's accumulated refundable balance in the City of Southfield Fire and Police Defined Contribution Plan at the fixed rate of 4% per annum. This provision shall apply to the crediting of interest only for non-premium members during DROP participation. All benefit provisions and options under the Premium Member Annuity Withdrawal Option in the Defined Contribution Plan which are available to Premium Members shall only be available to the DROP Participant at such time as he or she terminates employment with the City.

G. Drop Accounts. For each DROP Participant, an individual DROP Account shall be created in which shall be accumulated at DROP Interest the participant's DROP Benefits. All individual DROP Accounts shall be maintained for the benefit of each DROP Participant and will be managed by the Retirement Board in the same manner as the primary pension fund. DROP Interest for each DROP Participant prior to termination of employment shall be at a fixed rate of 4% per annum. Upon termination of employment, DROP Interest shall be credited at the same rate and in the same manner as interest is credited to Premium Members under the Premium Member Annuity Withdrawal Option in the Defined Contribution Plan. DROP Interest will be credited daily and accrued quarterly on the Participant's DROP Account Balance at the beginning of each quarter. The actual posting of income for the quarter will commence as soon as practical, following the declaration of the quarterly fund results by the Retirement Board. The daily crediting of interest shall be done on a pro-rata basis where one day's interest is the product of (i) the income credited for the quarter; multiplied by (ii) the ratio of one divided by the total number of days in the quarter. The Board of Trustees shall provide each participant with an annual statement of their account activity. The Board of Trustees, its officers or employees, shall not be responsible for DROP Account performance.

H. Contributions. Effective September 12, 2011, the employee's contributions to the Fire and Police Retirement System shall cease as of the Participant's DROP Date for each employee entering the DROP. However, any non-refundable contributions which were made by Participants after their DROP date but prior to September 12, 2011 were credited to and shall remain in the Participant's DROP Participant Contribution Account, which is a separate account within the defined contribution plan of the City of Southfield Fire and Police Retirement System. Said employee contributions were picked-up by the Employer in accordance with IRC Section 414(h) and the applicable provisions of the defined contribution plan. The DROP Participant Account shall be credited with interest at the same rate and in the same manner as interest is credited to Premium Members under the Premium Member Annuity Withdrawal Option, Appendix D, Sections 4.04 and 4.05 (income at the rate earned by the Trust less expenses).

For Participants electing the annuity withdrawal as of the DROP Date, the accumulated refundable contributions standing to a member's credit prior to DROP participation will continue to be held in the Employee Contribution Account in the defined contribution plan and shall have interest credited at a fixed rate of 4% per annum, as set forth in Section F above, Annuity Withdrawal.

Upon retirement, the employee's Employee Contribution Account and the DROP Participation Account may be consolidated into the Premium Member Account.

The payroll of DROP Participants will be included in the covered compensation upon which regular City contributions to the Retirement System are based. Employer contributions shall be credited to the Retirement System and not to any individual's DROP Account.

I. Distribution of Drop Funds. Upon termination of employment, the former DROP Participant must choose one, or a non-inconsistent combination of, the following distribution methods to receive payment(s) from his or her individual DROP Account:

- 1) A total lump sum distribution to the recipient.
- 2) A partial lump sum distribution to the recipient.
- 3) A lump sum direct rollover to another qualified plan to the extent allowed by federal law and in accordance with the Retirement Board's rollover procedures.
- 4) An annuity payable for the life of the recipient.
- 5) An optional form of annuity as established by Public Act 345 of 1937.
- 6) No distribution, in which case the accumulated balance shall remain in the Plan to the extent allowed by federal law.

A former Participant may change their distribution method as may be applicable no more than once per annum. All benefit payments under the Plan shall be made (or commence in the case of an annuity) as soon as practical after entitlement thereto, but in no event later than the April 1 following the later of:

- 1) The calendar year in which the Premium Member attains age 70, or
- 2) The calendar year in which the Participant's employment terminated.

If the Accumulated Balance in any former Participant's account becomes less than \$5,000 (or such other amount as provided in Internal Revenue Code Section 411(a)(11)(A)), then the Retirement Board, in its sole discretion, shall have the option of distributing the former Participant's entire account, in the form of a lump sum, to the Former Participant.

Any and all distributions from Participant's DROP Account shall not be subject to offset by any workers compensation wage loss payments received by the Participant, including any redemption amounts.

J. Death During Drop Participation. Except as otherwise provided in subsection L, if an employee participating in the DROP dies either: (i) before full retirement (i.e., before termination of service); or (ii) during full retirement (i.e., after termination of service) but before the DROP account balance has been fully paid out, the Participant's designated beneficiary(ies) shall receive the remaining balance in the Participant's DROP Account in the

manner in which they elect from the previously mentioned distribution methods. In the event the Participant has failed to name a beneficiary, the account balance shall be payable to the Participant's beneficiary of benefits from the Fire and Police Retirement System. If there is no such beneficiary, the account balance shall be paid in a lump sum to the Participant's estate. Benefits payable from the Fire and Police Retirement System shall be determined as though the DROP Participant had separated from service on the day prior to the Participant's date of death.

K. Disability During DROP Participation. Except as otherwise provided in subsection L, in the event a DROP Participant becomes totally and permanently disabled from further performance of duty as a fire fighter in accordance with the provisions of the Fire and Police Retirement System, the Participant's participation in the DROP shall cease and the member shall receive such benefits as if the member had retired and terminated employment during the participation period. Application and determination of disability shall be conducted in accordance with the Fire and Police Retirement System provisions; however, the Participant shall not be eligible for disability benefits from the Fire and Police Retirement System, except as specifically provided in subsection L.

L. Special Provision for Disability and Death. A DROP Participant who is found by the Retirement Board, in accordance with Retirement System provisions, to be totally and permanently incapacitated for duty may retroactively revoke the Participant's DROP election if the revocation occurs before the payment of a distribution to the member from the Participant's DROP account or payment of retirement benefits from the Retirement System. If a DROP Participant dies while in the employ of the City, the DROP Participant's eligible survivors (i.e., survivors qualified under Section 6(2) of Public Act 345 of 1937, as amended, and the Participant's applicable collective bargaining agreement) and the Participant's eligible DROP beneficiary(ies) may, by unanimous agreement, retroactively revoke the Participant's DROP election if the revocation occurs before payment of a distribution from the Participant's DROP account or payment of benefits from the Fire and Police Retirement System. If a DROP election revocation is made as prescribed by this Paragraph, the Participant's DROP Account is not distributed, and the Participant or the Participant's beneficiary(ies), as applicable, is entitled to all benefits provided by the Fire and Police Retirement System as if a DROP election had not been made. In the event of revocation of DROP participation as provided herein, there shall be no requirement for retroactive payment of employee contributions which would otherwise have been paid by the member to the Retirement System and the member shall receive service credit for all service rendered during DROP participation or as otherwise provided in the applicable collective bargaining agreement.

M. I.R.C. Compliance. The DROP is intended to operate in accordance with Section 415 and other applicable laws and regulations contained within the Internal Revenue Code of the United States. Any provision of the DROP, or portion thereof that is found by the Retirement Board to be in conflict with an applicable provision of the Internal Revenue Code of the United States is hereby declared null and void.

The Southfield Fire and Police Retirement System consists of both defined benefit and defined contribution plans. The DROP Account herein discussed shall be established as part of the Defined Benefit Plan of the Retirement System or such other plans as the Retirement Board and the SFFA shall agree upon (i.e., I.R.C. Section 415(m) benefit plan) after consultation with appropriate legal counsel.

37.12 Reserve for Inflation Equity Program

- A. Effective October 25, 1999, a Reserve for Inflation Equity (RIE) fund is established within the Southfield Fire and Police Retirement System.
- B. Coverage of Program. All members retiring after July 1, 1999, and their beneficiaries.
- C. Accumulation Formula. Each year, beginning July 1, 1999, funds will be credited to the RIE fund in accordance with the following formula: 55% of the 5-year average of the funding value rate of return over a trigger value of 8.0% as of June 30, not to exceed 3.0%, multiplied by the system assets of retired member and members who have elected to participate in the Deferred Retirement Option Plan (DROP), who will be eligible to receive distributions from the RIE program either now or in the future.
- D. Point Accumulation. Each covered member shall accumulate points in accordance with the following formula:
 - (a) One point for each full year of service, not to exceed 25, plus
 - (b) Two points for each full year since retirement.
- E. Eligibility for Distribution. A covered member will be eligible for an immediate distribution on the later of (a), (b), or (c) below:
 - (a) The first July 1st, which is at least five years after the member's retirement, defined as the later of the date that a member either separated from service or began to receive a pension.
 - (b) The year after the member's pension has lost 15% of its original purchasing power, defined as a 15% increase in the Consumer Price Index for All Urban Consumers (CPI-U), U.S. city average, all items 1982-1984 = 100.
 - (c) The member's accumulation of 35 points.

- F. Distributable Reserve. No more that 35% of the funds in the RIE fund shall be distributed in any given year.
- G. Individual Distributions. Each benefit recipient's share will be computed by dividing the benefit recipient's total points by the total points of all eligible benefit recipients and multiplying the result by the Distributable Reserve. The maximum amount payable to any benefit recipient is the amount which would restore 85% of the member's original purchasing power. A surviving spouse of a member will receive 60% of the amount which would have been payable to member had the member survived.
- H. Distribution Date. The initial date for distribution of RIE Program benefit checks shall be determined by the Southfield Police and Fire Retirement Board; this date shall be utilized in future years in which sufficient funds are available for distribution.

**ARTICLE 38
NEW HIRES**

Effective the date on which the 1988-1990 contract is ratified and signed by both principal parties, the Rules and Regulations, Fire and Police Civil Service Commission, Rule 3.8 Composition of Oral Boards Used in Examination for Original Appointment (Amended 1/26/83) shall be amended to provide as follows and the Oral Board(s) utilized to conduct the oral examinations to create the eligible list for original appointment in the Fire Department shall be constituted as follows:

- A. The current Rule 3.8 shall be revised to delete all references to Fire Fighter and the Fire Department. The current Rule 3.8 will be re-designated Rule 3.8(A).
- B. A new rule shall be adopted to be designated Rule 3.8(B) and to provide as follows:

3.8(B). Oral Boards used in examinations for original appointment as a Fire Fighter shall consist of current or past members of full-time Fire Departments. The City shall designate and assign to and/or remove from each Oral Board: (1). one member of the Southfield Fire Department holding the rank of Lieutenant or greater; (2). one Fire Fighter, or person of higher rank, from an outside jurisdiction; (3). one Fire Fighter, or person of higher rank, from an outside jurisdiction, who may have EMT or related training. Past members of full-time Fire Departments who have retired within the last five (5) years may be assigned by the City to the Oral Board(s). The candidate's oral examination shall be a composite (average) of the three (3) scores and shall count as 50% of the final composite score with the written exam to count as the remaining 50%. Candidates will be scored by each Oral Board member on a scale of 50 to 100 points.

ARTICLE 39
FIRE RESERVE PROGRAM

39.1 Effective the date the 1988-1990 contract is ratified and signed by both principal parties, the City shall institute a Fire Reserve Program. The selection, hiring, training, designation of minimum eligibility requirements and continued employment and/or termination of any member of the Fire Reserve Program shall be at the sole discretion of the City except as provided herein. The assignment and duties of members of the Fire Reserve Program shall be as set forth in the parties' Supplemental Agreement with respect to the Fire Reserve Program. The assignments and duties are subject to change by written mutual agreement of the parties.

39.2 The City reserves the right to discontinue the Fire Reserve Program at any time. Members of the Fire Reserve Program shall be considered "at will" members of the Department whose continued employment shall be at the discretion of the City.

39.3 The parties agree that so long as the City maintains the Fire Reserve Program, the City agrees to maintain 105 positions in the full-time fire service. The 105 positions are comprised of current positions including that of the Fire Chief plus an additional position of Reserve Officer.

- A. The Reserve Officer shall receive the Captain's pay schedule and benefits. The Reserve Officer's regular schedule will be 40 hours per week with starting times and leave days as determined by the Department. The Reserve Officer will be the officer who, subject to the officer in charge of the scene, will normally supervise the reservists at a fire scene or other emergency scene. The Fire Chief may designate a replacement for the Reserve Officer when the Reserve Officer is not available. The replacement shall be from within the bargaining unit and shall not be changed from a 56-hour schedule to a 40-hour schedule. The Reserve Officer and/or the Reserve Coordinator will conduct in-station training of the reserves. The Reserve Coordinator shall not direct any activities of regular fire fighters. The Reserve Officer will direct salvage and maintenance operations and equipment preparation.
- B. Selection of Reserve Officer. The assignment of Reserve Officer will be offered first to Captains. If more than one Captain applies, the selection will be made by a panel consisting of the Fire Chief, a Captain and a person from outside the department selected by these two. The Captain for the panel will be selected by draw among Captains who have not applied for the position. If none of the

Captains apply, the position shall be offered to those on the list for promotion to Captain, and if more than one candidate applies, the selection will be made by a panel consisting of the Fire Chief, a Captain (selected by draw) and a person from outside the department selected by these two. If no one on the Captain's list applies, a Reserve Officer list shall be created from Lieutenant applicants willing to accept the assignment, and the assignment shall be made from this list. This list shall only be used for the selection of the Reserve Officer. If no Lieutenant is willing to accept the assignment, a Reserve Officer list shall be created from applicants who are within the top three on the Lieutenants' list at that time and the assignment shall be made from this list.

- C. In the event the assignment is made from those on the list for promotion to Captain or the list for Reserve Officer, the assignment shall be at the pay schedule and benefit of a Captain without change in rank. The Reserve Officer remains eligible to compete for future promotional positions in accordance with established procedures.

39.4 No full-time fire fighter will be laid off during the period of time the Fire Reserve Program remains in operation.

Members of the fire reserve shall not be used to replace full-time fire fighters who are absent. Reservists shall not be counted for scheduling purposes. As stated in the Supplemental Agreement, Section 3. D, Fire Fighter II Reserves will be called in on a call back only when "full-time fire fighters who live within a fifteen mile radius, including specialized personnel as needed, are called in" or in conjunction with Mutual aid.

39.5 Members of the fire reserve program shall be eligible to participate in training exercises or programs regularly scheduled for members of the bargaining unit. Members of the bargaining unit shall be responsible for assisting in the training and supervision of the members of the fire reserve program when reservists are participating in response activities of full-time fire fighters, i.e. on the job training. Participation in other training activities shall be on a volunteer basis.

39.6 Members of the Fire Reserve Program shall be eligible for promotion to vacancies in the entry-level full-time fire fighter positions. Members in good standing of the Fire Reserve program who have completed all initial training requirements for Fire Fighter I and Fire Fighter II may apply for consideration for appointment to a vacancy in an entry-level position. Persons becoming members of the Fire Reserve Program after November 18, 2002 shall, in addition to

the above requirements, obtain certification by the State of Michigan as Basic-EMTs before applying for consideration for appointment to a vacancy in an entry-level position. Persons becoming members of the Fire Reserve Program after the ratification of the 2006 - 2009 agreement by both parties shall, in addition to the above requirements, obtain certification by the State of Michigan as Advanced- EMTs before applying for consideration for appointment to a vacancy in an entry-level position. The City may waive the requirement for certification by the State of Michigan as an Advanced-EMT.

1. Notwithstanding the provisions of Act 78, the City Administrator may appoint a member of the Fire Reserve Program to a vacancy in an entry-level full- time fire fighter position. The appointment shall be made from a list of eligible candidates selected by the Fire Chief and the Reserve Officer.

Members of the Fire Reserve must have completed at least six months service (which shall include time spent in school or training) to be considered by appointment to the list of eligible candidates. The Union and the City may mutually waive the six-month requirement.

2. The decision to appoint shall be at the sole discretion of the City Administrator.
3. In the event no member of the Fire Reserve Program is selected for promotion, the provisions of Act 78 shall apply.
4. No new entry level Act 78 list shall be created so long as there are sufficient, qualified and available Reserves in the judgment of the City Administrator.
5. It is understood and agreed that, in the event a new Act 78 eligibility list is created after March 31, 1993, vacancies in the position of Fire Fighter filled after March 31, 1993, may be filled by the City, at the City's option, by the appointment of any person within the top five on the Act 78 eligibility to the position of fire Fighter or by an appointment under the terms of Article 39 – Fire Reserve Program, Section 6.

39.8 Members of the Fire Reserve Program are excluded from the bargaining unit represented by the Southfield fire Fighters Association, Local 1029, IAFF, AFL-CIO.

**ARTICLE 40
TERM OF AGREEMENT**

40.1 This Agreement shall be effective July 1, 2016 and shall remain in effect until June 30, 2018.

40.2 All benefits contained herein shall be effective as of October 14, 2016 (the date of the Act 312 Award in MERC Case No. D15 E-0461) except wages shall be retroactive to July 1, 2016 as specified in the award..

40.3 The parties agree that if they do not reach agreement by June 30, 2018 the Labor Agreement shall be extended until the parties reach agreement of a party gives written notice of not less than sixty (60) days to the other party that the agreement shall terminate on the date stated in the notice. The parties agree that if notice is given as stated above, the agreement shall terminate on the date stated.

40.4 An emergency manager appointed under the Local Financial Stability and Choice Act, 2012 PA 436, MCL 141.1541 to 141.1575, shall have the authority to reject, modify, or terminate this collective bargaining agreement as provided in the Local Financial Stability and Choice Act, 2012 PA 436, MCL 141.1541 to 141.1575. Provisions required by this subsection are prohibited subjects of bargaining under this act.

IN WITNESS WHEREOF, the Parties hereto have set their hands this.

FOR THE UNION:

ISI Robert Scott
Robert Scott, President

ISI
Vice President

[Signature]

FOR THE CITY:

Kenson J. Siver
Kenson J. Siver, Mayor

Sherikia L. Hawkins *ISI*
~~Nancy L. M. Banks, City Clerk~~
Sherikia L. Hawkins, City Clerk

APPENDIX "A"

Effective July 1, 2008

Rank/Position	Start	6 Mo.	24 Mo.	48 Mo.	36 Mo.	48 Mo.	60 Mo.
Fire Fighter	\$43,431	\$44,734	\$46,076	\$49,762	\$53,743	\$58,042	\$62,779

EFFECTIVE JULY 1, 2016 (2%)

Rank/Position	Start	6 Mo.	12 Mo.	24 Mo.	36 Mo.	48 Mo.	60 Mo.
Fire Fighter	\$44,300	\$45,629	\$46,998	\$50,757	\$54,818	\$59,203	\$64,035
Paramedic - Fire Fighter	\$65,937	\$68,214	\$70,441				
Driver -Engineer	\$65,937	\$68,214	\$70,441				
Mechanic	\$65,937	\$68,214	\$70,441				
Mehanic Coordinator	\$72,347	\$74,617	\$76,843				
Inspector	\$72,347	\$74,617	\$76,843				
Lieutenant	\$72,347	\$74,617	\$76,843				
Paramedic - Lt	\$78,764	\$81,011	\$83,245				
Sr. Inspector	\$78,764	\$81,011	\$83,245				
Captain	\$78,764	\$81,011	\$83,245				
Fire Marshall	\$85,139	\$87,407	\$89,651				
Battalion Chief	\$85,139	\$87,407	\$89,651				

Within thirty (30) days after October 14, 2016 (the date of the Award in Act 312 Case No. D15 E-0461), a one-time lump sum payment equal to three-percent (3.00%) of base salary shall be paid to all employees who were in the bargaining unit as of October 14, 2016 (the date of the Award in Act 312 Case No. D15 E-0461). The lump sum payment is "off the wage scale" and non-pensionable.

EFFECTIVE JULY 1, 2017 (1%)

Rank/Position	Start	6 Mo.	12 Mo.	24 Mo.	36 Mo.	48 Mo.	60 Mo.
Fire Fighter	\$44,743	\$46,085	\$47,468	\$51,265	\$54,366	\$59,795	\$64,675

	\$66,596	\$68,896	\$71,145				
Paramedic - Fire Fighter	\$66,596	\$68,896	\$71,145				
Driver -Engineer	\$66,596	\$68,896	\$71,145				
Mechanic	\$66,596	\$68,896	\$71,145				
Mehanic Coordinator	\$73,070	\$75,363	\$77,611				
Inspector	\$73,070	\$75,363	\$77,611				
Lieutenant	\$73,070	\$75,363	\$77,611				
Paramedic - Lt	\$79,552	\$81,821	\$84,077				
Sr. Inspector	\$79,552	\$81,821	\$84,077				
Captain	\$79,552	\$81,821	\$84,077				
Fire Marshall	\$85,990	\$88,281	\$90,548				
Battalion Chief	\$85,990	\$88,281	\$90,548				

LETTER OF UNDERSTANDING

The City maintains that it is not limited by any past practice or agreement in its determination of the number of command or non-command personnel required to be on duty. The Union disagrees. Notwithstanding the above, the parties agree that their agreement that additional compensation shall be paid the senior fire fighter shall not be used by the City as evidence or argument in any proceeding in which an issue is whether or not there is such a practice or agreement. While the parties agree that the agreement shall not be used by the City to reduce the number of command personnel on duty, the parties also agree that this agreement shall not limit in any way the City's right to maintain and present its position set forth above. This agreement is without prejudice to the rights of either party.

FOR THE UNION:

Name:/s/Edward Rigley
Title: President
Date: 2/21/95

FOR THE CITY:

Name:/s/Thomas J. Marsh
Title: Labor Relations Dir.
Date: 2/21/95

Name:/s/Robert Ozias
Title: Fire Chief
Date: 2/23/95

APPENDIX B

SUPPLEMENTAL AGREEMENT FIRE RESERVE PROGRAM

Section 1: Effective the date the 1988-1990 contract is ratified and signed by both principal parties, the City shall institute a Fire Reserve Program. Except as otherwise set forth herein, the selection, training, assignment, continued employment and duties of Fire Reserves shall be at the discretion of the City.

Section 2: Members of the Fire Reserve Program may be assigned to Fire Suppression. The combined total of Fire Fighter I reservists and Fire Fighter II reservists shall be no more than one half of the number of regular fire fighters.

Section 3: Fire Suppression Complement - Participation in the Fire Suppression complement will be on the following basis:

A. Entrance Requirements

To be considered for the Fire Suppression complement of the Reserve Program, applicants must meet the following minimum requirements:

1. U.S. citizenship.
2. At least 18 years old.
3. Possess a high school diploma or its equivalent (GED).
4. Be in good physical and mental health, with a reasonable ability to perform the assignments required by the position. (A physical exam, a job related physical agility test and examinations including a written examination, as determined by the City will be administered and must be successfully completed). The written examination given shall be provided by an outside testing agency and shall test one's ability to successfully complete the training requirements and perform the assigned duties. The passing score on the written examination shall be seventy (70%) percent or 70th percentile as designated by the city.

5. Possess a valid Michigan driver's license and a good driving record as determined by the City.
6. Be of good moral character with no history of criminal activity.
7. Be willing to submit to an extensive background check and oral interview as part of the selection process.
8. Be willing to familiarize himself/herself with, and abide by, all department rules and policies, city ordinances and state and federal laws.
9. Must be willing to make a commitment of a minimum of one (1) year to the program, attend all mandatory training sessions and work a minimum number of hours or assignments as determined by the Reserve Officer.

B. Initial Training

1. Reserve Orientation - all members entering the Southfield Fire Department Reserve Program are required to complete a ten (10) hour indoctrination training program. The program will cover fire department procedures, policies, chain-of-command, organizational structure, equipment and station familiarization.
2. Fire Fighter I - all Suppression Reserve members of the Department are required to be certified at the Fire Fighter I level as a minimum requirement. This is currently a 132 hour entry level training program which is certified by the Michigan Fire Fighters Training Council. Notwithstanding the training received, Fire Fighter I work assignments shall not go beyond those specified in D below.
3. Fire Fighter II - all members of the Fire Fighter II complement must complete the Fire Fighter II training program as designated by the Department.

C. Continued Eligibility Requirements

Members of the Fire Suppression complement of the Reserve Program must meet the following continuing eligibility requirements:

1. Proficiency Requirements - once the entry levels of training have been achieved, each member is required to attend a minimum of 120 hours of documented fire or rescue training annually. This may include training at outside sources as designated by the Reserve Officer or in- station training.
2. Each member shall respond to a minimum of 25% of the reserve incident alerts in any one (1) year period.
3. Compliance with all Rules and Regulations as issued by the Department for members of the Fire Reserve Program.

D. Work Assignments

Members of the Fire Suppression Complement of the Reserve Program may be utilized by the Department in the following manner under direction of the Reserve Officer.

Fire Fighter I - Members may be called-in and utilized by the Department as follows:

- a. at all the fire and/or emergency scenes for salvage and maintenance operations;
- b. to stand-by for hazardous conditions;
- c. to aid in preparing equipment to be placed back in service;
- d. to prepare equipment for service;
- e. to respond to emergency scenes with additional requested equipment and/or supplies;
- f. to participate in in-station training exercises as set forth below.

Fire Fighter II - Members may be called-in and utilized by the Department as follows:

- a. To perform all duties of a Fire Fighter I;
- b. When four stations are emptied, Fire Fighter II Reserves will be called in to fill in the stations as back up at the same time that full-time fire fighters, who live within a fifteen (15) mile radius, including specialized personnel as needed, are called in. Such Reserves will respond as full response units as set forth in subsection c. to the initial emergency scene if requested, or other emergency scenes that may arise.
- c. Mutual Aid - In conjunction with Mutual Aid requests, Reserves will be called in as full response units. Reserves will perform all duties including duties of full-time fire fighters including driving/operation of apparatus, advancing fire hoses, fire suppression, and fire rescue operations. However reserves will not drive full-time fire fighters except the Reserve Officer. Reserves will not, except in case of emergency, ride with full-time fire fighters when not in in-station training as specified below.

Reserves shall not function as paramedics. Reserves will not be sent to other jurisdictions.
- d. Similar and/or related duties as assigned.
- e. When responding to a working fire scene as full response units under Sections (b) and (c) above, Reserves will be under the direction of the Reserve Officer or designated replacement from within the bargaining unit.

E. In-Station Training

Members of the Fire Suppression complement of the Fire Reserve Program will complete up to ten (10) hours of in-station training each month. The Reserve Officer will conduct in station training of reserves, which may consist of:

1. Training programs scheduled for full-time personnel.
2. Specific assignments to be fulfilled by the Reserve.

3. Station detail for assignment and response in conjunction with full-time fire fighters which will include all full response activities of full-time fire fighters.

Section 4: Ancillary Services Complement - The City may institute an Ancillary Services Complement as set forth in the collective bargaining agreement for 7/1/99 through 6/30/02.

Section 5: Members of the Fire Suppression complement will be eligible for additional training as developed and assigned by the Department.

Section 6: The Department may institute a Cadet Program according to all the provisions of the collective bargaining agreement for 7/1/99 through 6/30/02 which reference Cadets or the Cadet Program.

FOR THE UNION:

/s/

Lawrence Birkett, President

/s/

James Dundas, Vice President

FOR THE CITY:

/s/

Robert Ozias, Fire Chief

/s/

Thomas Marsh, L.R.D.

APPENDIX C

The City agrees to the institution of a pension "pick-up" plan for Employees provided that the Internal Revenue Service approves such a "pick-up"; and provided further that the "pick-up" approved by the Internal Revenue Service will be limited solely to the SFFA. If the Internal Revenue Service does not approve a "pick-up" limited solely to the SFFA, the said "pick-up" will not be applicable. The "pick-up" plan as set forth herein shall be instituted as follows:

(1) The City shall pick up the Employee contributions required of SFFA employees for all compensation earned after the effective date of this provision. The contributions, so picked-up, shall be treated as Employer contributions in determining tax treatment under the United States Internal Revenue Code. Employee contributions picked-up by the City, pursuant to this provision, shall be treated for all other purposes, in the same manner and to the same extent, as Employee contributions made prior to the effective date of this provision.

(2) The effective date of this provision shall be the date of IRS approval. These Employee contributions so picked up shall not be included in gross income for tax purposes until such time as they are distributed by refund or benefit payment.

(3) With respect to the Plan Amendment and the "pick-up" of employee Pension contributions set forth above, it is expressly understood and agreed as follows:

(a) The plan amendment is being adopted only for the purpose of allowing employees to take advantage of IRS Code provisions which permit governmental employees to tax shelter their pension plan contributions.

(b) Salary before reduction for contribution will continue to serve as the basis for determining the amount of salary related fringe benefits, including retirement benefits.

(c) The City will maintain information which will permit identification of the amount of Employee contributions made before and after the plan amendment. This is necessary in order to determine the extent to which a pension plan distribution is taxable income to the employee at the time the distribution is received.

(d) The plan amendment is being accomplished by local agreement rather than a change in State law.

The effect of this provision is that each SFFA compensation shall be reduced by the amount of the pension contribution which would otherwise be required of a SFFA employee under the provisions of the retirement system and the City will contribute this compensation reduction to the retirement system. The compensation reduction is to be considered a part of each SFFA employee's compensation for purposes of determining the contribution which would otherwise be required of a SFFA employee under the provisions of the retirement system.

It is the intention of this provision that the above described contributions be treated as "picked-up" by the City for purposes of Section 414 (h) (2) of the Internal Revenue Code of 1986, in that the two criteria for such treatment are satisfied:

(1) The City hereby specified that the above described contributions, although specified as Employee contributions under the retirement system, are being paid by the City to the retirement system in lieu of contributions by the SFFA employee, and

(2) The SFFA employee does not have the option of choosing to receive the contributed amounts directly instead of having them paid by the City to the retirement system.

Accordingly, it is the intention of the City and the Union that each SFFA employee may, pursuant to Section 414 (h) (2) of the Internal Revenue Code of 1986, exclude from current gross income, for federal income tax purposes, all the contributions made by the City to the retirement system and that such contributions shall not be includible in the SFFA employee's gross income until distributed or made available to the SFFA employees.

FOR THE CITY:

/s/

Thomas J. Marsh
Labor Relations Director
June 28, 1991

FOR THE SFFA:

/s/

Edward Rigley, President
June 28, 1991

/s/

Lawrence Birkette, Treasurer
June 28, 1991

/s/

James McRoberts, Vice President
June 28, 1991

APPENDIX D

PREMIUM MEMBER ANNUITY WITHDRAWAL OPTION

Article I. Purpose

Effective February 23, 1998, the City of Southfield Amends the City of Southfield Fire and Police Retirement System Defined Contribution Plan to provide retirement income for eligible uniformed employees of the Southfield Fire Department.

This document shall serve as part of the Retirement Board's Official Rules and Regulations to effectuate the intent, terms and provisions of the aforesaid Plan.

The Retirement Board created by Public Act 345 of 1937 is Fiduciary and Trustee of the Plan, and is responsible for promulgating procedures for the implementation and administration of the Plan.

Article II. Definitions and Construction

Where the following words and phrases appear in this Plan, they shall have the respective meanings set forth in this Article, unless the context clearly indicates to the contrary.

2.01 **Accumulated Balance** means the total of Member's Employee Contribution Account as referenced in Section 4.01.

2.02 **Anniversary Date** means June 30.

2.03 **Beneficiary** means a person or persons designated by a Member to receive distribution of the Accumulated Balance in the event of the death of the Member.

2.04 **Compensation** has the same meaning as used in Public Act 345 of 1937 or as defined in the collective bargaining agreement between the City and the Southfield Fire Fighters Association. Compensation in excess of the limitations set forth in Internal Revenue Code Section 401(a)(17) shall be disregarded.

2.05 **Effective Date** means February 23, 1998.

2.06 Employee means any uniformed personnel of the City of Southfield Fire Department whose exclusive bargaining agent is the Southfield Fire Fighters Association.

2.07 Employee Contribution Account means the account established for a Participant with respect to his interest in the Plan resulting from the participant's refundable mandatory contributions made pursuant to Act 345, as modified by collective bargaining. This account shall not include any contributions which have been designated as non-refundable.

2.08 Employer means the City of Southfield.

2.09 Fiduciary means the City of Southfield Fire and Police Retirement System Retirement Board.

2.10 Former Participant means an individual who is no longer eligible to be a Participant.

2.11 Former Member means an individual whose account has been completely distributed. A Former Member has no further rights to any benefits from the Plan.

2.12 Member means any participant or former participant whose account has not been completely distributed.

2.13 Premium Member means any Former Participant who was covered under the Southfield Fire Fighters Association collective bargaining agreement and has attained Normal Retirement Age or is eligible to begin commencement of benefits from the Defined Benefit Plan.

2.16 Non-Premium Member means any Member who is not a Premium Member.

2.17 Normal Retirement Age means the age at which a participant would have attained 20 years of service or age 65, whichever is earlier.

2.18 Participant means any Employee.

2.19 Plan means the City of Southfield Fire and Police Defined Contribution Plan.

2.20 Plan Year means the Plan's accounting year of twelve months commencing on July 1 of each year and ending on the following June 30.

2.21 Trust means the City of Southfield Fire and Police Retirement System maintained in accordance with the terms of Public Act 345 of 1937 and Public Act 314 of 1965 as amended by collective bargaining.

2.22 Trustee means the City of Southfield Fire and Police Retirement System Retirement Board.

The masculine gender, where appearing in the Plan, shall be deemed to include the feminine gender, unless the context clearly indicates to the contrary. The words "hereof", "herein", "hereunder" and other similar compounds of the word "here" shall mean and refer to the entire Plan and not to any particular provision or section. Article and section headings are included for convenience of reference and are not intended to add or subtract from the terms of the Plan.

Article III. Participation

3.01 Participation. All employees are eligible for participation.

3.02 Termination of Participation. A Participant who becomes ineligible to participate due to retirement, death or other termination of employment shall cease to be a Participant and shall be considered a Former Participant beginning on the day immediately following the event that caused the ineligibility.

3.03 Termination of Membership. A Participant or Former Participant will cease to be a Member when all of the funds in the Member's Employee Contribution Account have been distributed.

Article IV. Contributions and Maintenance of Account Balances

4.01 4.01 Each Participant who is not a DROP Participant shall contribute as set forth in 5.01(b) a percentage of the Participant's Compensation to the Employee Contribution Account in accordance with Public Act 345 of 1937, as modified by collective bargaining.

4.02 Vesting. All account balances are 100% vested at all times.

4.03 Directed Investments. The Retirement Board shall have full authority to direct the investment in all accounts in accordance with Act 314 of 1965.

4.04 Income. Each account shall be credited with interest at the rate of 2% for all Non-Premium Members. Each account shall be credited with income at the rate earned by the Trust for all Premium Members. Income, less expenses as defined in section 4.05, will be credited daily and accrued quarterly based on the Accumulated Balance at the beginning of the quarter. The actual posting of income for a quarter will commence as soon as practical, following the declaration of the quarterly fund results by the Retirement Board. The daily crediting of interest shall be done on a pro-rata basis where one day's income is the income credited for the quarter times the ratio of 1 divided by the number of days in the quarter.

4.05 Administrative Expenses. Administrative expenses will be charged at an initial rate of 0.30% per annum. The administrative expense rate is intended to cover all the administrative expenses of the Plan and will be subject to review by the Retirement Board at least bi-annually. The crediting of the rate of return, less administrative expenses, is intended to be cost neutral.

4.06 Maximum Additions and Benefit Limitations. Notwithstanding anything contained herein to the contrary, the total annual additions for a Participant in any Plan Year shall not exceed the limitations of Internal Revenue Code Section 415. Notwithstanding anything contained herein to the contrary, the benefits paid under the Plan shall not exceed the limitations of Internal Revenue Code Section 415. The provisions of Internal Revenue Code Section 415 are hereby incorporated by reference.

Article V. Benefits

5.01 Retirement.

- a. If a Participant's employment with the Employer is terminated at or after he attains his Normal Retirement Age, he shall immediately become a Premium Member and entitled to receive the entire amount in his account subject to subsection b. below. Payments under this Section 5.01 shall be made in accordance with Section 5.05.

- b. Effective September 12, 2011 the employee pension contribution for employees hired prior to September 12, 2011 shall be a 3.0% non-refundable contribution made on a pre-tax basis under MC Section 414h, which shall not be deposited in or become part of any employee account. All employee contributions on and after September 12, 2011 are non-refundable and not eligible for Annuity Withdrawal (including under the Premium Member Annuity Withdrawal Option) under any circumstances; except that, such contributions

shall be refunded to the member: 1) in the case of termination prior to vesting; 2) in the case of the member's death prior to retirement eligibility, to the member's beneficiary. In either case, such refund shall be in lieu of any and all pension benefits.

The parties understand and agree as follows concerning past employee contributions:

1. Effective October 5, 2009 through June 30, 2010, contributions of three (3%) of eligible compensation for pension purposes made by active employees who had not entered the DROP were designed as non-refundable, and shall not be deposited in or become part of any employee account and are not eligible for Annuity Withdrawal (including under the Premium Member Annuity Withdrawal Option) under any circumstances; except that, such contributions shall be refunded to the member: 1) in the case of termination prior to vesting; 2) in the case of the member's death prior to retirement eligibility, to the member's beneficiary. In either case, such refund shall be in lieu of any and all pension benefits.
2. Effective July 1, 2010 through September 11, 2011, five (5%) percent of eligible compensation for pension purposes made by active employees who had not entered the DROP were designed as non-refundable, and shall not be deposited in or become part of any employee account and are not eligible for Annuity Withdrawal (including under the Premium Member Annuity Withdrawal Option) under any circumstances;; except that, such contributions shall be refunded to the member: 1) in the case of termination prior to vesting; 2) in the case of the member's death prior to retirement eligibility, to the member's beneficiary. In either case, such refund shall be in lieu of any and all pension benefits.

5.02 Death. In the event that the death of a Member, the Member's Beneficiary shall become entitled to receive the entire amount in his account. Payment of benefits due under

this Section 5.02 shall be in the form of a lump sum and shall be distributed in accordance with Section 5.08.

5.03 Other Termination with 10 or more years of service. If a Participant's employment with the Employer is terminated after attaining 10 years of service, but before his Normal Retirement Age for any reason other than death, the Participant shall immediately become a Former Participant. When the Former Participant attains his Normal Retirement Age he shall be entitled to receive his entire Accumulated Balance. Payments under this Section 5.03 shall be made in accordance with the following:

- An annuity payable for the life of the recipient.
- An optional form of annuity as established by Public Act 345 of 1937.

5.04 Other Termination with less than 10 years of service. If a Participant's employment with the Employer is terminated before attaining 10 years of service age for any reason other than death, the Participant shall immediately become a Former Participant and entitled to receive the entire amount in his account. Payments under this Section 5.04 shall be made in the form of a lump sum.

5.05 Election of Payment of Benefits. A Premium Member may elect (no more than once per annum) one or a non-inconsistent combination of several of the following methods of distribution of the Accumulated Balance:

- A total lump sum distribution to the recipient.
- A partial lump sum distribution to the recipient.
- A lump sum direct rollover to another qualified plan to the extent allowed by federal law and in accordance with the Retirement Board's rollover procedures.
- An annuity payable for the life of the recipient.
- An optional form of annuity as established by Public Act 345 of 1937.
- No distribution, in which case the Accumulated Balance shall remain in the Plan to the extent allowed by federal law.

All benefit payments under the Plan shall be made (or commence in the case of an annuity) as soon as practical after entitlement thereto, but in no event later than the April 1 following the later of:

The calendar year in which the Premium Member attains age 70-1/2,

or

The calendar year in which the Participant's employment terminated.

If the Accumulated Balance in any former Participant's account becomes less than \$5,000 (or such other amount as provided in Internal Revenue Code Section 411(a)(11)(A)), then the Retirement Board, in its sole discretion, shall have the option of distributing the Former Participant's entire account, in the form of a lump sum, to the Former Participant.

5.06 Recalculation of Benefit Payments. Notwithstanding Section 5.05, a Premium Member may, at any time, elect to receive his entire Accumulated Balance in the form of a lump sum and immediately become a Former Member. Premium Members who have elected the annuity form of payment will have an annual option to recalculate their benefit payments based on their actual amount balances. Recalculation will be effective on the next July 1. Premium Members who wish to have their benefits recalculated must apply for recalculation in accordance with the rules adopted by the Retirement Board.

5.07 Hardship Recalculation of Benefit Payment. A Premium Member may, at any time, apply for a hardship recalculation of benefits. Hardship recalculations will be subject to approval by the Retirement Board. In no event, however, will more than one hardship recalculation be granted per member, per year.

5.08 Designation of Beneficiary. Each Member may, from time to time, designate by written notice any person or persons (who may be designated primarily, contingently or successively) as his Beneficiary to whom his Plan benefits will be paid if he dies before receipt of all such benefits. The Retirement Board shall adopt provisions and procedures for the designation of Beneficiaries. If a valid designation of Beneficiary is not on file with the Retirement Board, the Retirement Board shall distribute in a lump sum the Accumulated Balance to the legal representative of the estate of the deceased Member.

5.09 Coordination of Benefits. A Premium Member's regular retirement pension under Public Act 345 of 1937 shall be actuarially adjusted to reflect the election of the payment of benefits under Section 5.05. The calculation of the actuarial adjustment shall be based on the value of the Employee Contribution Account as of the date the Member becomes a Premium Member and the methods and assumptions specified in the applicable collective bargaining agreement or by the Retirement Board (but not inconsistent with the collective bargaining agreement).

Article VI. Trust Fund

6.01 The Retirement Board, as established by Public Act 345 of 1937 shall be the Fiduciary and Trustee of the Plan, and shall be responsible for:

- The investment, management and control of Plan assets, subject to Public Act 314 of 1965.
- Payment of benefits required under the Plan.
- Maintenance of records of receipts and disbursements, including the preparation of a written summary annual report and list of expenses paid by soft dollars as required by Public Act 314 of 1965.

6.02 The Retirement Board may contract with private investment managers to invest the assets of the Plan.

6.03 All contributions under this Plan shall be deposited in the Trust. All assets of the Trust, including investment income, shall be retained for the exclusive benefit of Participants, Former Participants and Beneficiaries, and shall be used to pay benefits to such persons.

Article VII. Plan Administration

7.01 The Retirement Board shall administer the Plan, and shall have such duties and powers as may be necessary to discharge its duties as administrator, including, but not by way of limitation, the following:

- (a) To construe and interpret the Plan, decide all questions of Eligibility and determine the amount, manner and time of payment of any benefits hereunder.
- (b) To prescribe procedures to be followed by Participants, Former Participants and Beneficiaries filing applications for benefits.
- (c) To prepare and distribute, in such manner as it determines to be appropriate, information explaining the Plan.
- (d) To receive from the Employer and Participants such information as shall be necessary for the proper administration of the plan.

- (e) To prepare a written summary annual report and list of expenses paid by soft dollar as required by Public Act 314 of 1965.
- (f) To appoint or employ individuals to assist in the administration of the Plan and any other agents it deems advisable, including legal and actuarial counsel.

7.02 The Retirement Board shall have no power to add to, subtract from or modify any of the terms of the Plan, or to change or add to any benefits provided by the Plan, or to waive or fail to apply any requirements of eligibility for a benefit under the Plan, unless explicitly provided herein.

7.03 Any Participant, Former Participant or Beneficiary who has been denied a benefit by a decision of the Retirement Board shall be entitled to request the Retirement Board to give further consideration to his claim by filing with the Retirement Board a request for a hearing. Such a request, together with a written statement of the reasons why the claimant believes his claim should be allowed, shall be filed with the Retirement Board within 60 days of the Retirement Board's decision denying the benefit. The Retirement Board shall then conduct a hearing within 60 days at which the claimant may be represented by an attorney or any other representative of his choosing and at which the claimant shall have an opportunity to submit written and oral evidence and arguments in support of his claim. At the hearing (or prior thereto upon five business day's written notice to the Retirement Board) the claimant or his representative shall have an opportunity to review all documents in the possession of the Retirement Board which are pertinent to the claim at issue and its disallowance. A final decision as to the allowance of the claim shall be made by the Retirement Board within 90 days of the hearing (unless there has been an extension due to special circumstances, provided the delay and the special circumstances occasioning it are communicated to the claimant in writing). Such communication shall include specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision is based.

Article VIII. Miscellaneous

8.01 Amendments. The City of Southfield reserves the right, through collective bargaining, to make from time to time any amendment or amendments to this Plan which do not cause any part of the Trust to be used for, or diverted to, any purpose other than the exclusive benefit of Participants. Former Participants or their Beneficiaries, provided, however, that the City may make any amendment it determines necessary or desirable, with or without retroactive effect, to comply with applicable federal law.

8.02 Non-guarantee of Employment. Nothing contained in this Plan shall be construed as a contract of employment between the Employer and any Employee, or as a right of any Employee to be continued in the employment of the Employer, or as a limitation of the right of the Employer, subject to collective bargaining agreement, to discharge any of its Employees, with or without cause.

8.03 Right to Trust Assets. No Participant, Former Participant or Beneficiary shall have any right to, or interest in, any assets of the Trust Fund upon termination of his employment or otherwise, except as provided from time to time under this Plan, and then only to the extent of the benefits payable under the Plan to such Participant, Former Participant or Beneficiary out of the assets of the Trust. All payments of benefits as provided for in this Plan shall be made solely out of the assets of the Trust Fund and the Fiduciary shall not be liable therefore in any manner.

8.04 Nonforfeitability of Benefits. Subject only to the specific provisions of this Plan, nothing shall be deemed to divest a Participant, Former Participant or Beneficiary of his right to the non-forfeitable benefit to which he becomes entitled in accordance with the provisions of this Plan.

8.05 Nonalienation of Benefits. Except as otherwise provided in this Section 8.05, the right of a person to an Accumulated Balance or any other benefit from this Plan is unassignable and is not subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency law, or other process of law. The right of a person to an Accumulated Balance or any other benefit from the Plan is subject to award by a court pursuant to section 18 of chapter 84 of the revised Statutes of 1846, being section 552.18 of the Michigan Compiled Laws, and to an order of income withholding entered under Public Act 1295 of 1982 pertaining to alimony or child support. The right of a person to an Accumulated Balance or any other benefit from the Plan is subject to an eligible domestic relations order under the eligible domestic relations order act, Act No. 46 of the Public Acts of 1991, being Sections 38.1701 to 38.1711 of the Michigan Compiled Laws.

The Plan has the right of setoff to recover overpayments made by the Plan and to satisfy any claim arising from embezzlement or fraud committed by a Participant, Former Participant, Beneficiary, or other person who has a claim to an Accumulated Balance or any other benefit from the Plan.

CITY OF SOUTHFIELD

AETNA DENTAL INSURANCE SUMMARY OF COVERED DENTAL EXPENSES

AETNA POLICY NUMBER: 353931

Maximum Benefit..... \$2,000 for expenses in any one calendar year for employee and each covered dependent. This maximum applies separately to each insured family member.

Type I Services..... Include routine exams, teeth cleaning and fluoride application, x-rays, space maintainers and palliative treatment.

Benefit-Type I Services..... 100% of Reasonable and Customary Covered Dental Expenses for Type I Services

Type II Services..... Include teeth extractions, oral surgery, fillings, anesthetics, periodontal treatment, root canal therapy, injection of antibiotics, repair or replacement of crowns or inlays, relining of dentures, inlays, gold fillings and crowns.

Benefit-Type II Services..... 90% of reasonable and Customary Covered Dental Expenses for Type II Services

Type III Services..... Include fixed bridgework, inlay and crown abutments partial or full-dentures, including precision attachments and orthodontics for employee and qualified dependents. Orthodontic services are covered at 60% with a lifetime maximum expenditure of \$2,000.

Benefit-Type III Services..... 60% of Reasonable and Customary Covered Dental Expenses for Type III Services

Orthodontic Lifetime Maximum.. \$2,000 for employee and each covered dependent.

Register at Aetna Navigator to view Explanation of Benefits (EOB) of paid dental and vision claims on line at <http://www.aetn navigator.com>

**CITY OF SOUTHFIELD
AETNA DENTAL INSURANCE
SUMMARY OF COVERED DENTAL EXPENSES**

Exclusions..... Include cosmetic treatment, replacement of lost, stolen or missing devices, nitrous oxide and charges that are not reasonable and customary. The plan coordinates benefits with other group plans.

Dependent children between the ages of 19 and 25 are only covered if they meet eligibility requirements.

SEE CLAIM FORMS FOR:

Predetermination..... May be required whenever the proposed course of treatment is expected to exceed \$150. This protects you against unreasonable charges or improper treatment and gives you and the dentist knowledge of what will be paid, as AETNA will confirm in writing to both you and your dentist.

Aetna's local Dental Consultant will contact the dentist if there are any problems involving treatment.

Assignment..... Your dental benefits may be assigned to your dentist.

Policy Number..... **353931** You will not receive a card from AETNA for dental or optical insurance benefits; therefore, this policy number and Dental ID number must accompany all claim forms. Claim forms are available in the Human Resources Department.

Claim Processor..... You or your dentist may call 1-888-411-1651 for any questions relative to coverage.

Claims for reimbursement should be submitted to:

AETNA

P.O. Box 981107

El Paso, TX 79998-1107

(Pre-Addressed envelopes are available in the Human Resources Department)

Customer Service: 1-888-411-1651

Website: <http://www.aetn navigator.com>

This is a summary of the City of Southfield's dental benefits. Further information is available from the Human Resources Department.

CITY OF SOUTHFIELD
SUMMARY OF VISION EXPENSE BENEFITS
Provided by AETNA

Vision Care expense reimbursement is provided to employees and their eligible dependents.

NOTE: Vision insurance is available for dependent children between the ages of 19 and 25 providing they are Full-Time Students. It is the responsibility of the employee to notify the Human Resources Office when your dependent ceases to be qualified. This coverage is provided through the City's Vision Insurance carrier, AETNA, and is effective with the first day of career employment. Reimbursement is provided for reasonable and customary charges for one eye examination and one pair of lenses during any consecutive 12-month period. Additionally, the Plan provides reimbursement of reasonable and customary charges for one pair of eyeglass frames during any consecutive 24-month period.

Covered Vision Care expenses are the charges for which an insured individual obtains for an eye examination performed by a legally qualified ophthalmologist or optometrist and the lenses which are prescribed as a result of such examination. The following schedule of Vision Care Benefits identifies the services and supplies which are covered and the benefits which apply.

Services and Supplies	Benefit During Any Period of 12 Consecutive Months
1. Eye Examination (Complete, including refraction)	Reasonable and Customary Charges
2. Lenses: - Single Vision Lenses (2 lenses) - Bifocal Lenses - Trifocal Lenses - Contact Lenses (Hard, Soft, Disposable) - Lenticular (\$350 lifetime maximum)	Reasonable and Customary Charges

Services and Supplies	Benefit During Any Period of 24 Consecutive Months
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1. Frames (one set)	Reasonable and Customary Charges
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Reasonable and Customary means the smaller of:

- a. The charges made by the provider who furnishes the service or supply, and
- b. The prevailing charge in the Zip Code area by those providers of similar professional standing.

AETNA POLICY NUMBER: 353931
CITY OF SOUTHFIELD
SUMMARY OF VISION EXPENSE BENEFITS
Provided by AETNA

Covered expenses do not include and no benefits are payable for:

1. Charges for services or supplies which are covered in whole or in part under any other portion of the Medical Expense Benefits Plan or under any other Medical Expense Benefits or Vision Care Benefits provided by the employer.
2. Expense for which benefits are payable under any Workers Compensation Law.
3. Special procedures, such as orthoptics or vision training and special supplies, such as sunglasses (plain or prescription) and sub-normal vision aids. Tinted glasses with a tint higher than number two will be considered sunglasses for this purpose.
4. Anti-reflective coatings, protective coatings.
5. Eye examinations required by an employer as a condition of employment, or which the employer is required to provide by virtue of labor agreement; or those required by a government body.
6. Replacement of lost, stolen, or broken lenses and/or frames.
7. Duplicate or spare eyeglasses, or any lenses or frames therefore.
8. Visual analysis which does not include refraction.
9. Services or supplies not listed as covered expenses.
10. Oversize frames, designer frames, photo gray lenses, contact lenses insurance.

INSTRUCTIONS FOR FILING VISION CARE CLAIM

The PATIENT needs to complete sections 1-7 of the claim form. The practitioner(s) providing the services must complete the Provider Statement section

The employee should also make sure the form is returned to him/her for submission to AETNA for reimbursement. If your provider agrees, you may assign payment of your claim directly to the Optician/Ophthalmologist and they should bill you for any fees not covered. Or, you may submit your claim(s) for reimbursement directly to AETNA. Claims for reimbursement should be submitted to (pre-addressed envelopes are available in the Human Resources Department):

AETNA POLICY NUMBER: 353931

CUSTOMER SERVICE: 1-888-411-1651

Mail Claims to: AETNA
P. O Box 981107
El Paso, TX 79998-1107

This is a summary of the City of Southfield's vision benefits. Further information is available from the Human Resources Department.

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