

COLLECTIVE BARGAINING AGREEMENT

Between

CITY OF SOUTHFIELD

and

AFSCME, LOCAL 329

2009-2010

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## **AGREEMENT**

This Agreement made and entered into this 13th day of October, 2009 by and between the City of Southfield (hereinafter called the "Employer" or "City") and Local Union #329, affiliated with Council #25 of the American Federation of State, County and Municipal Employees AFL-CIO (hereinafter called the "Union"). Whenever the term "Agreement" is used in this document it shall be synonymous with the term "Contract."

## **PURPOSE AND INTENT**

The general purpose of this Agreement is to set forth the terms and conditions of employment covered by this Agreement and to promote orderly and peaceful labor relations of mutual interest to the Employer and the Union. To these ends, the Employer and the Union encourage, to the fullest degree, friendly and cooperative relations between representatives of the Employer and the Union.

If during the life of this Agreement, any of the provisions contained herein are held to be invalid by operation of law or by any tribunal of competent jurisdiction or if compliance with or enforcement of any provisions should be restrained by such tribunal pending a final determination as to its validity, the remainder of this Agreement shall not be affected thereby.

### **1. RECOGNITION**

Pursuant to and in accordance with all applicable provisions of Act 379 of the Public Acts of 1965, as amended, the Employer hereby recognizes the Union as the sole and exclusive bargaining agent with respect to rates of pay, wages, hours of employment and other conditions of employment for the following classifications: Custodian, Building Service Worker, Facilities Service Worker, Highway Maintenance Worker, Fleet Technician, Mechanical Trades Technician, Water Service Worker, Animal Warden, Parks Maintenance Worker, Greens keeper, Urban Forester, Landscape Horticulturist, Finishing Trades Technician, Civilian Fire Mechanic, Motor Pool Stock Clerk, Communication Technician, Head Greens Keeper and Golf Business Liaison of the City of Southfield as provided herein for the term of this Agreement.

During the term of this Agreement, the Employer agrees that it will not enter into negotiations with any other organization other than the Union herein recognized concerning rates of pay, hours and other conditions of employment of members of the Union.

### **2. UNION SECURITY**

It shall be a continued condition of employment that all employees covered by this Agreement shall either maintain membership in the Union by paying the uniform dues or a collective bargaining service fee equivalent to the uniform dues for the cost of negotiating and administering this Agreement.

Any employee, excluding probationary employees, who has failed to either maintain membership or pay the required bargaining service fee shall not be retained by the Employer, provided, however, no employee shall be terminated under this Article unless:

1. The Union has notified the employee by letter addressed to the employee's address last known to the Union, with a copy to the Employer, indicating that the employee is delinquent in payment, specifying the current amount of delinquency and warning the employee that unless

such amount is tendered within ten (10) calendar days, the employee will be reported to the City for termination from employment as provided for herein; and,

2. The Union shall furnish the City with written proof that the foregoing procedure has been followed and shall supply the City with a copy of the notice to the employee. The Union must further provide the City with written demand that the employee be discharged in accordance with this Article and provide to the City, in affidavit form signed by the Union Treasurer, certification that the amount of delinquency does not exceed the uniform dues or collective bargaining service fee for the cost of administering and negotiating this Agreement.

The Union shall indemnify and save the City harmless against any and all claims, demands, suits, or other forms of liability that shall arise out of or by reason of action taken, or not taken, by the City for purposes of complying with the provisions of this Article.

**3. CHECK-OFF**

The Employer agrees to deduct from the pay of each employee from whom it receives an authorization to do so who is covered by this Agreement the amount specified under the authorization form.

Each employee utilizing the City deduction for pay for the remittance of sums to the Union shall provide the City with an authorization in the form as follows:

Authorization for Payroll Deduction		
By	_____	
	(Last Name)	(First Name) (Middle Name)
To	_____ I hereby request and authorize you to deduct from my earnings each month an amount established by the Union as monthly dues. The amount deducted shall be paid to the President of the Union. This authorization shall be irrevocable during the term of this Agreement.	

Changes in the regular amount of monthly dues or service bargaining fee may be made no more than once in a twelve (12) month period. Such change shall require signed, written authorization from the President and Secretary/Treasurer of the Union.

Union dues will be deducted by the City each pay period during the term of this Agreement. Such sums deducted from an employee's pay shall be forwarded to the President of Union Local #329.

In the event that a refund is due any employee for any sums deducted from wages and paid to the Union, it shall be the responsibility of such employee to obtain the appropriate refund from the Union.

The Union shall indemnify and save the City harmless against any and all claims, demands, suits, or other forms of liability that shall arise out of or by reason of action taken, or not taken, by the City for purposes of complying with the provisions of this Article.

**4. NO STRIKE OR LOCKOUT**

(a) The Union and the employees recognize that strikes (as defined by Section I of P.A. 336 of 1947, as amended, of Michigan Public Employees Relations Act) are contrary to law and public policy. The Employer and employees subscribe to the principle that differences should be

resolved by good faith bargaining in keeping with the highest standards of municipal government without interruption of essential governmental services. Accordingly the Union and employees agree that during the term of this Agreement they shall not direct, instigate, participate in, encourage or support any strike, sit-down, stay-in, slow-down, in any department or any unlawful inter-activity interfering with the operation of government.

(b) In the event of a work stoppage, or other curtailment of, or interference with production, the City shall not negotiate on the merits of the dispute which gave rise to the stoppage or curtailment until the Union has made an earnest effort as set forth in Section (c) below.

(c) In the event of a work stoppage, or other curtailment the Union shall immediately instruct the involved employees in writing that their conduct is in violation of the contract, that they may be disciplined up to and including discharge and instruct all such persons to immediately cease the offending conduct.

(d) No lockout of employees shall be instituted by the Employer during the term of this Agreement.

## **5. MANAGEMENT RIGHTS AND RESPONSIBILITIES**

(a) It is recognized that the government and management of the City, the control and management of its properties and the maintenance of municipal function and operations are reserved to the City and that all lawful prerogatives of the City shall remain and be solely the City's right and responsibility. Such rights and responsibilities belonging solely to the City are hereby recognized, prominent among which but by no means wholly inclusive are, all rights involving public policy, the right to decide the number and location of plants, stations, etc.; work to be performed within the unit, maintenance and repair, amount of supervision necessary, machinery and tool equipment, methods, schedule of work together with the selection, procurement, designing, engineering, and the control of equipment and materials, and the right to purchase service of others, contract or otherwise. If the City deems it necessary to contract for work presently performed by employees within the bargaining unit which results in a permanent loss of work for such employees it is agreed that the matter will be discussed between the Union and the City and that an effort will be made by the City to place such employees in accordance with the seniority and layoff sections contained herein. Further, that the City will extend every reasonable consideration to the placement of said seniority employees who are qualified into other positions with the City in accordance with its rules and regulations.

(b) It is further recognized that the responsibility of the management of the City for the selection and direction of the working forces including the right to hire, suspend or discharge for just cause, assign, promote or transfer, to determine the amount of overtime to be worked, to relieve employees from duty because of lack of work or for other legitimate reasons, is vested exclusively in the City, subject only to the seniority rules where applicable, grievance procedure, and other express provisions of this Agreement.

## **6. SETTLEMENT OF DISPUTES**

### **6.1 Definition.**

A grievance is a dispute between the City and the Union pertaining to the interpretation, meaning, construction, or application of the provisions of this Agreement.

## **6.2 General Provisions.**

- (a) Not more than one grievance may be submitted to the same arbitrator at the same time unless mutually agreed upon between 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.
- (b) The City will supply a written response at each STEP when provided herein; provided, however, in the event the City fails to respond within the time limits as provided in any STEP, the steward must nevertheless then process the grievance to the next higher STEP within the prescribed time limits. Proceeding by the Union to the next higher step is not to be construed as a waiver by the Union to a written statement where applicable.
- (c) Any grievance not submitted in writing within fifteen (15) calendar days of its occurrence shall be automatically closed and forever held for naught.
- (d) Any grievance not appealed from a decision in one of the steps of the above procedure to the next step within the time and as prescribed, shall be considered closed.

## **6.3 Grievance Procedure.**

STEP 1: (Verbal) Any employee having a grievance shall first take up the matter with the employee's immediate supervisor. The grievant may, at his or her request, have a Union Steward present. The supervisor shall render a decision within three (3) working days of the meeting.

STEP 2: (Written) If the grievance is not resolved at STEP 1 above, the grievant shall have five (5) working days from the date the response was due to submit the grievance in writing to the Department Director or designate. The written grievance shall be submitted by the Steward or Grievance Committee and shall contain at least the following information:

- (a) Section(s) of the Agreement allegedly violated.
- (b) Name(s), times(s), date(s) and location(s) of alleged violation.
- (c) Action(s) that constituted alleged violation and parties involved.
- (d) Remedy sought to correct alleged violation.

The written grievance shall be discussed between the Steward or the Grievance Committee and the Department Director or designate. The written grievance shall be discussed between the Steward or Grievance Committee and, for employees in the Department of Parks and Recreation, the Deputy Director or designate, for employees in the Department of Public Works, the Superintendent or designate. The Department Director or designate shall have five (5) working days from the date of submission at STEP 2 in which to render a written decision.

STEP 3: If the grievance is not resolved at STEP 2 above, the President of the Local Union or designate shall have five (5) working days from the date the response was due to submit the grievance in writing to the Director of the respective Department or designate. The Director or designate shall have five (5) working days from the date of submission at STEP 3 to render a written decision.

STEP 4: (Written) If the grievance is not resolved at STEP 3 above, the President of the Local Union or designate shall have five (5) working days from the date the response was due to submit the grievance in writing to the City Administrator or designate, who shall arrange a meeting at a mutually agreeable time within ten calendar days to discuss the grievance. The City Administrator or designate shall have five (5) working days from the date of the meeting at STEP 4 to render a written decision.



**STEP 5:** If the grievance is not resolved at STEP 4 above, the Union shall have thirty (30) calendar days from the date the response was due from STEP 4 to file with the American Arbitration Association.

(a) In the event the parties have not selected an arbitrator within ten (10) days of the date of filing of arbitration proceedings, or within such period of time as may be mutually agreed upon in writing, an arbitrator shall be selected in accordance with the rules and procedures of the American Arbitration Association unless another arbitrator or procedure shall be mutually agreed upon.

(b) The power of the arbitrator stems from this Agreement and her or his function is to interpret and apply this Agreement and to pass upon alleged violations thereof. The arbitrator shall not have the power to add to, subtract from or modify any of the terms of this Agreement, nor shall the arbitrator have any power or authority to make any decision which shall require the commission of an act prohibited by law or which is violative of the terms of this Agreement. The decision of the arbitrator shall be final and binding upon all parties and the cost of the arbitrator shall be borne equally by the parties to this Agreement.

(c) The President of the Local Union shall be paid for time lost during working hours in attending grievance meetings with City representatives. He or she will be permitted to leave the job upon request and after receiving approval by his or her supervisor. He or she shall report to his or her supervisor upon completion of the investigation and if he or she goes into the area of another supervisor, he or she must first notify such supervisor. The right to receive pay for time lost shall not be abused. The City will furnish cards for the maintenance of records of the time spent hereunder. Any employee having a grievance shall first gain permission from the supervisor before leaving the job to contact the steward.

(d) The City shall not be required to compensate witnesses for time spent attending arbitration hearings.

#### **6.4 Grievance Committee.**

Employees selected by the Union to act as Union representatives shall be known as "stewards." The names of employees selected as stewards and the names of other Union representatives who may represent employees shall be certified in writing to the Employer by the Local Union, and the individuals so certified shall constitute the Union Grievance Committee.

The Employer shall meet as required at a mutually convenient time, with the Union Grievance Committee.

All Grievance Committee meetings shall be held during working hours on the Employer's premises, and without loss of pay.

The purpose of the Grievance Committee meetings will be to adjust pending grievances and to discuss procedures for avoiding further grievances. In addition, the committee may discuss with the Employer other issues which would improve the relationship between the parties.

The formula for determining the number of Union stewards is intended to provide minimum Union representation; it shall not be construed to limit the Union's right to select the number of stewards required to represent properly the employees in the bargaining unit.

## **6.5 Processing Grievances During Working Hours.**

The Local Union President or designate and the proper steward may investigate and process grievances during working hours without loss of pay. Such privilege shall not be abused.

## **7. DISCIPLINE, SUSPENSION AND DISCHARGE**

### **7.1 Discipline.**

Disciplinary action or measures shall include only the following, although not necessarily in order:

- Oral Reprimand
- Written Reprimand
- Probation
- Suspension (notice to be given in writing)
- Discharge

Disciplinary action may be imposed upon an employee for failure to fulfill her or his responsibilities as an employee. Any disciplinary action or measures imposed upon an employee may be processed as a grievance through the grievance procedure.

If the Employer has reason to reprimand an employee, it shall be done in a manner that will not embarrass the employee before other employees or the public.

No record of discipline shall be retained in any employee's personal file for a period longer than one year from the date of the discipline, except that a suspension of three days or more shall be retained for three years. No disciplinary action shall be predicated upon any disciplinary action which occurred more than three years prior to the disciplinary action at issue.

The employee shall be allowed a Union Steward or Officer, upon request, at any such act of discipline.

### **7.2 Discharge.**

The Employer shall not discharge or suspend any employee without just cause. If, in any case, the Employer feels there is just cause for discharge, the employee involved will be suspended for five (5) days. The employee and the President of the Local Union will be notified in writing that the employee has been suspended and is subject to discharge.

The Union shall have the right to take up the suspension and/or discharge as a grievance at the third step of the grievance procedure, and the matter shall be handled in accordance with this procedure through the arbitration step if deemed necessary by the Union.

Any employee found to be unjustly suspended or discharged may be reinstated with full compensation for all lost time and with full restoration of all other rights and conditions of employment.

## **8. SENIORITY**

### **8.1 Seniority Lists.**

(a) Seniority shall be an employee's length of service in the bargaining unit, measured from the most recent date of hire, including probationary time, less deductions from seniority stated in the contract. In the case of ties, for employees hired after July 1, 1997, the employee with the higher ranking on the eligibility list will be the more senior. Any remaining ties will be resolved by lot.

(b) Seniority lists shall be posted through the month of March each year. All employees, including those absent from work for any reason, shall be presumed to have knowledge of the posted list. If a grievance is not filed by April 15, the seniority list shall be deemed correct.

(c) Super Seniority--Notwithstanding their date of hire, stewards and officers of the Union, by virtue of their office and in the event of a lack of work or layoff, shall be placed at the top of the seniority list. They shall be retained on the job provided they are able to perform all elements of the available job in a reasonable manner. The Union will supply the Employer with an up-to-date list, in writing, of all stewards and officers of the Union and shall assume all responsibility for the maintenance of that list. Said "Super Seniority" shall be applicable only in the event of a layoff or other reduction of the working force.

The parties acknowledge that the current provision of Section 8.1(c) is in part unlawful under recent MERC and NLRB decisions and the parties agree to continue to pursue amending this provision to bring it into conformity with MERC and NLRB case law.

### **8.2 Loss of Seniority.**

An employee shall lose seniority for the following reasons only:

- (a) Quits or retires.
- (b) Is discharged for just cause.
- (c) Is absent for three (3) consecutive work days without notifying the City, unless lack of notice is a result of physical impossibility.
- (d) Is absent for three (3) consecutive work days without justifiable reason.
- (e) Gives a false reason to obtain a leave, or fails to return to work upon termination of any leave of absence without a bona fide excuse, acceptable to the City.
- (f) Is laid off for a period equal to seniority at the time of layoff.
- (g) Separation upon settlement covering total disability.
- (h) Suspensions of thirty days or more shall be deducted from seniority.
- (i) Leaves the bargaining unit except as set forth in Section 3 below.
- (j) Seniority will not accrue for leaves of absence exceeding 30 days, except sick leave, Union leave, and as required by law.

### **8.3 Promotion or Transfer from the Bargaining Unit.**

An employee promoted or transferred from a job classification in the bargaining unit to a supervisor position shall retain but not accumulate bargaining unit seniority during the employee's probationary period in the supervisory position and, if applicable, during the period of preferred reemployment described below. Bargaining unit seniority shall terminate upon completion of the employee's probationary period or upon separation from employment which is not reversed or, if applicable, upon expiration of the period of preferred reemployment. During

the probationary period in the supervisor position, if the employee fails to qualify in the supervisory position or does not desire to continue in the supervisory position, the employee will be employed in a position of compensation equivalent to the employee's former bargaining unit position for a maximum period of six months. During this six month period, the employee will have preference for any bargaining unit vacancy for which the employee is qualified and for which the wage rate is not greater than the wage rate for the bargaining unit position which the employee left to take the supervisory position.

#### **8.4 Shift Preference.**

Shift preference will be granted on the basis of seniority within the classification. The transfer to the desired shift will be affected within two (2) weeks following the end of the current pay period within which the written request was made. The option may be exercised once each year.

In the Building Service Worker classification, this will apply only when a vacancy(ies) in said classification has been recognized and posted by the employer, and shall apply only to the posted vacancy(ies).

#### **8.5 Probation.**

Probationary employees as defined herein shall not be eligible for membership in the Union nor for representation by the Union during the term of their probationary period. The purpose of this probationary period is to provide an accurate working test period to properly evaluate the performance of an employee prior to confirmation as a regular employee. The probationary period shall be six (6) months from the date of hire. The Employer may, upon mutual agreement with the President of Local #329, extend the probationary period up to an additional four (4) months if conditions warrant.

#### **8.6 Departmental Seniority.**

Departmental seniority shall follow the same criteria as bargaining unit seniority except that it will be measured from the most recent date of entry into the department.

### **9. PROMOTIONS AND TRANSFERS**

#### **9.1 Promotions.**

In the promotion of employees covered by this Agreement to higher classifications within the bargaining unit, seniority shall govern only whenever qualification and abilities of the employees are considered as being equal. The Employer only shall determine the ability and qualification of all employees. If management proposes to by-pass any employee with greater seniority, the management will advise the President of the Local Union in writing of the reasons for said by-pass at least ten (10) days before the by-pass is made effective. Any such employee who feels aggrieved will be granted a prompt review by management. If not satisfactorily resolved, the employee may process a claim through the grievance procedure. Such grievance must be filed within three (3) days after the employee has been made aware of the results of the review.

Whenever qualified applicants are not available from within the City Departments, the City reserves the right to hire from the outside.

**9.2 Departmental Postings.**

If the City determines to fill a vacancy in a classification or assignment listed below, the department or division will post the vacancy to the employees listed below. After all transfers are completed, the remaining vacancy will be given to the human resources department for posting as provided in Section 9.4.

<b>Opening in:</b>	<b>Posted to:</b>
Water.....	Water
Sign Shop, Tool Crib, Highway.....	Highway
Motor Pool Stock Clerk.....	Motor Pool
Golf, Parks, Forestry, Environmental.....	Parks and Recreation

**9.3 Transfers.**

When an employee desires a transfer within the employee's pay grade or to a lower pay grade in another division or department, the employee shall submit a request in writing when a vacancy is posted. The employee requesting said transfer will be evaluated by the respective department heads. If the employee meets the requirements for the job classification and both department heads approve such transfer, the employee shall be awarded the job classification on a trial basis. If the position requested is posted as a lower grade, the receiving department head may, at his or her discretion, retain the employee's current pay rate.

- (a) Employees who transfer shall not be entitled to transfer to any other job classification for a period of twelve (12) months thereafter. (Such employees shall retain their right to bid for promotion.)
- (b) Employees shall not use the transfer procedure to secure a shift preference.

**9.4 Posting of Vacancies.**

If the City determines to fill a vacancy in an existing job classification or new job classification, it shall be promptly posted for the bargaining unit for ten calendar days. After the posting is closed, the city will establish a list of employees eligible for transfer and a list of employees eligible for promotion. These lists shall be in effect for nine months from the date they are established for any vacancy in the job classification. New-hire probationary employees shall not be eligible to apply for promotion or transfer. Copies of the eligibility list will be sent to the Union President.

**9.5 Conditions Applying to Positions Awarded Through Promotion or Transfer.**

- (a) Employees may be required to remain in their old job classification until properly replaced.
- (b) Employees awarded a job classification bid shall have a maximum of three (3) months to qualify for such job classification. This shall not prevent the City from disqualifying the employee prior to the completion of such trial period where lack of ability to qualify is obvious to the City. Employees who fail to qualify shall be returned to their former job classifications

without loss of seniority. The employee shall be given a written explanation of the reason for disqualification.

### **9.6 Temporary Transfers.**

In the event there is a temporary job classification or job classification opening due to illness, lack of personnel, leaves or emergencies, the City may fill such job classification by transferring another employee or employees to such temporary vacancies not to exceed thirty (30) days unless a longer time is agreed to by the City and Union. Seniority of employees affected will not be changed.

If and when an employee is transferred, the President of the Local shall be notified of said transfer by the administration.

### **9.7 Special Conditions.**

The conditions of this section refer to specifically named positions and shall be controlling over the general conditions stated in Sections 1 - 6 above.

(a) Grade III positions vacancies shall be filled by first considering qualified Grade II employees within that division. If a qualified Grade II employee is available within the division, then Management may promote that employee without posting the opportunity. If there is more than one qualified Grade II employee within the division, the position shall be filled in accordance with Section 1 above without posting the opportunity. If, however, qualified candidates are not available within the division, then management will post the job classification for bidding by qualified bargaining unit members, before the job classification is posted to the outside. Specifically, the following seven (7) separate divisions are recognized: Water and Sewer, Highway, Motor Pool, Facilities Maintenance, Parks, Golf, and Forestry. This clause shall not be construed to require management to fill the position with a Grade II from the division when, in management's opinion, more qualified candidates are available elsewhere in the bargaining unit.

(b) Golf employees are not eligible to participate in the annual Parks division bidding process; however, Parks employees who have met the qualifications of Greens keeper may request to bid into the Golf Division during this annual bid process.

(c) Employees classified as Maintenance Worker, Urban Forester, Greens Keeper, Fleet Technician, Landscape Horticulturist and Mechanical Trades Technician are eligible to be reclassified as Grade I, and employees classified as Grade I are eligible to be reclassified as Grade II when they satisfy the respective conditions for such reclassification. Such reclassification does not create a vacancy.

### **9.8 Involuntary Transfers.**

(a) The Union President will be notified in writing, 15 working days in advance of the transfer or transfers. Employees in the classification in the department from which the transfer(s) is to be made shall have the right to bid on the transfer with preference going to the employee with the greater departmental seniority.

(b) In the event no employee bids on the transfer or transfers and the City has determined to involuntarily transfer an employee from a job classification, the employee in the department in

the job classification with the least amount of departmental seniority, including probationary employees, shall be transferred first.

(c) In the case of involuntary transfers to a different department, the transferred employee shall not transfer departmental seniority from the prior department to the new department.

(d) If an opening occurs in the department from which an employee or employees have been involuntary transferred, the involuntary transferred employee or employees shall have preference for opening for which they are qualified.

(e) If for any reason the employee returns to the department from which the employee was involuntarily transferred, all seniority shall be restored to what it was at the time of the involuntary transfer.

(f) At no time will a temporary transfer become an involuntary transfer without first going through the steps of this section.

## **10. LAYOFF AND RECALL**

Should the City determine to layoff an employee from a job classification, the employee in the job classification with the least amount of seniority, including probationary employees, shall be laid off first. The job classifications are those set forth in Article 1. This employee shall have the right to bump into a job classification of equivalent or lower compensation level, provided: (1) the bumping employee has more seniority than the bumped employee, and (2) the bumping employee is presently capable of performing the bumped employee's job. Employees shall be recalled in the inverse order of their layoff.

## **11. HOURS OF WORK**

### **11.1 Regular Hours.**

The regular hours of work each day shall be consecutive except that they may be interrupted by a lunch period.

### **11.2 Work Week.**

(a) The work week shall consist of five (5) consecutive eight (8) hour days, Monday through Friday, except as provided in paragraph (b) below and except for employees in continuous operations.

(b) Other schedules of work weeks are also necessary outside of the normal work week defined in Section 2 (a) above, and it is therefore agreed that the City shall not be limited by the foregoing language in Section 2 (a) above for those employees working in the following departments and/or classifications, and such employees may have their starting days and times changed:

1. Custodians, Building Service Workers
2. Animal Wardens
3. Parks and Recreation Employees
4. Fleet Technicians

The work week may be changed only twice in one year (once in and once back).

(c) In the event the City requests a change in the work week, as defined in Section 2 (a) above, except for Custodians, Building Service Workers, Animal Wardens, Parks and Recreation employees and Fleet Technicians the City and the Union shall negotiate the matter prior to implementation, and if same is unresolved, the issue of the work week shall be resolved by binding arbitration under the auspices of the American Arbitration Association. Either the City or the Union may commence arbitration proceedings.

### **11.3 Work Day.**

Eight (8) consecutive hours of work within the 24-hour period beginning at midnight shall constitute the regular work day.

### **11.4 Work Shift.**

(a) Eight (8) consecutive hours of work shall constitute a work shift. All employees shall be scheduled to work on a regular work shift and each work shift shall have a regular starting and quitting time except as provided below:

(b) Work shifts may be established on a swing basis for those employees working in the following departments and/or classifications, and such employees may have their starting times and quitting times adjusted on a staggered basis:

1. Custodians, Building Service Workers.
2. Animal Wardens
3. Parks and Recreation Employees
4. Fleet Technicians

(c) In the event the City requests a change in the shift, as defined in Section 4 (a) above, except for Custodians, Building Service Workers Animal Wardens, Parks and Recreation employees and Fleet Technicians the City shall negotiate the matter prior to implementation and if same is unresolved, the issue of the work shift shall be resolved by binding arbitration under the auspices of the American Arbitration Association. Either the City or the Union may commence arbitration proceedings.

### **11.5 Reporting Time.**

Any employee who is scheduled to report for work and who reports for work as scheduled shall be assigned to at least four (4) hours work on the job for which he or she was scheduled to report, or other duties assigned.

### **11.6 Rest Periods.**

All employees' work schedules shall provide for either a 15-minute rest period during each one-half shift, or 20 minutes during the morning shift. The rest period shall be scheduled at the middle of each one-half shift whenever this is feasible.

Employees who for any reason work beyond their regular quitting time into the next shift shall be granted the regular rest period(s) that occur during the shift.

There shall be no abuse of these period(s).



**11.7 Meal Periods.**

All employees shall be granted a lunch period during each work shift. Whenever possible, the lunch period shall be scheduled at the middle of each shift.

There shall be no abuse of these period(s).

**12. PART-TIME BUILDING SERVICE WORKERS**

**12.1 Hours and Benefits.**

Part-time Building Service Worker positions, if utilized by the City, will be included in the bargaining unit. Employees hired as part timers will be scheduled no more than 20 hours per work week and shall be entitled to one-half (1/2) benefits.

**12.2 Articles not Applying.**

The following articles or sections shall not apply to part-time employees: Article 11, HOURS OF WORK; Article 13, OVERTIME; Article 23, Section 4, Premium Pay. The hours and other conditions of employment for part-time employees shall be as defined in this article.

**12.3 Separate Seniority Lists.**

There shall be separate seniority lists for full-time and part-time employees. A part time employee who accepts full-time work within the bargaining unit shall be credited with 50% of the employee's part-time seniority on the full-time seniority list. A full-time employee who accepts part-time work within the bargaining unit shall retain his or her date of hire as a full-time employee on the part-time seniority list. Employees on one seniority list shall not exercise seniority over employees on the other list for any purpose.

**12.4 Lunch Period.**

The regular hours of work each day shall be consecutive except that they may be interrupted by a lunch period for employees working eight hours per day.

**12.5 Reporting Time.**

Any employee who is scheduled to report for work and who reports as scheduled shall be assigned to at least one half of the hours of scheduled work on the scheduled job or other duties assigned.

**12.6 Rest Periods.**

All employees' work schedules shall provide for either a 15-minute rest period during each four-hour work period or 20 minutes during the first four hours for employees working eight hours.

Employees who for any reason work beyond their regular quitting time into the next shift shall be granted the regular rest period(s) that occur during the shift. There shall be no abuse of these period(s).

**12.7 Overtime.**

Time-and-one-half the employee's regular hourly rate of pay shall be paid for work under any of the following conditions, but compensation shall not be paid twice for the same hours.

- a) All work performed in excess of eight hours in any work day.
- b) All work performed in excess of forty hours in any work week.

**12.8 Call Time.**

Any employee called to work outside of the employee's regularly scheduled shift shall be paid for a minimum of two hours. The two hour minimum shall not apply to call back occurring within two hours of start of regular shift.

**12.9 Additional Time Distribution.**

The City will attempt to equalize the opportunity to work additional time among employees who have previously registered with the department head the desire to work additional time.

**12.10 Layoff.**

In the event of a layoff in the classification of custodian, all Building Service Workers must first be laid off.

**12.11 Work in Excess of 1800 Hours in a Year.**

If a permanent part-time employee works in excess of 1800 hours in a year, such position shall be changed to permanent full-time.

**13. OVERTIME**

**13.1 Rate of Pay.**

Time-and-one-half the employee's regular hourly rate of pay shall be paid for work under any of the following conditions, but compensation shall not be paid twice for the same hours.

**13.2 Daily.**

All work performed in excess of eight (8) hours in any work day.

**13.3 Weekly.**

All work performed in excess of forty (40) hours in any work week.

**13.4 Before or After Regular Hours.**

All work performed before or after any scheduled work shift.

**13.5 Sixth Day.**

All work performed on the sixth day of a work week schedule shall be paid time-and-a-half the employee's regular hourly rate of pay.

**13.6 Seventh Day.**

All work performed on the seventh day of a work week schedule shall be paid double time the employee's regular hourly rate of pay.

**13.7 Call Time.**

Any employee called to work outside of the employee's scheduled shift shall be paid for a minimum of three (3) hours at the rate of time-and-a-half or double time if the time is covered by 13.6, Sunday or 17.3, Holiday Work. The three (3) hour minimum shall not apply to call back occurring within three (3) hours of start of regular shift.

**13.8 Overtime Distribution.**

Overtime work shall be distributed as equally as possible to employees working within the same job classification.

A seniority employee entering a job classification shall be charged with the average amount of overtime hours both worked and charged to the employees in that job classification.

On each occasion, the opportunity to work overtime shall be offered to the full-time employee within the job classification who has the least number of overtime hours credited according to the posted list at that time.

If this employee does not accept the assignment or the Employer is unable to contact said employee, the employee shall be charged with the overtime and the employee with the next fewest number of overtime hours to the employee's credit shall be offered the assignment. The procedure shall be followed until the required employees have been selected for the overtime work.

An accurate record of overtime shall be maintained in all departments showing the numbers of hours worked, hours called, hours refused and hours worked on continuation for each department employee. The record shall be updated daily and reflect an accurate total of all hours each week. This overtime record shall be posted on the respective department bulletin board every week but may be done more frequently at the discretion of the Department. The overtime list shall be available for employee review on a daily basis.

Employees currently on vacation or authorized sick leave are exempt from eligibility list rotation while on vacation or authorized sick leave.

Distribution of overtime may be affected by the preceding as indicated, by the ability of the employee to operate the necessary equipment, or by an emergency situation beyond the control of the Employer.

The above shall not apply to the continuation of shift. It is understood and agreed that an employee working on a job at the end of a shift upon which job overtime is required shall be

given the first opportunity to work such overtime notwithstanding any provisions of this Agreement to the contrary.

The City in assigning overtime shall ask down the overtime list by each classification necessary to perform overtime work and shall require overtime up the seniority list, least senior employee first in the classification necessary, until a full complement of employees is secured. Where an employee agrees to report to overtime and then fails to report, or is required to work when utilizing the seniority list in inverse order, such absence shall be unexcused and subject to discipline unless the employee was unable to work for reasons acceptable to the Employer.

If an employee or employees are called out of order, the bypassed employee(s) shall notify their supervisor. The bypassed employee(s) shall be allowed to make up the lost overtime. The employee, if more than one, by charged overtime, will be placed at the top of the overtime list until the lost time has been made up respectively. After the employee(s) time is made up they will be placed in the appropriate spot on the overtime list. All time is charged as outlined in Section 8, paragraph 5 of the contract.

If lost hours are at double time or time and a half, lost hours can be made up with the first available overtime calculated to make up the loss; i.e., 12 hours double time lost could be made up with 16 hours time and a half or a combination not necessarily consecutive but cumulative.

On the call back of a bypassed employee at the end of the regular shift, an "unavailable" shall not be charged unless the employee has had normal travel time home.

### **13.9 Equalization.**

In the event workers in the proper classification are not available for overtime or more workers are needed to handle the overtime situation than are available in the proper classification, such overtime work shall be offered to employees of other classifications within the department, which for purposes of this section shall mean parks and recreation, water and sewer, highway, sign shop, motor pool and facilities maintenance. Overtime shall be offered or required with the equalization provisions of Section 8 above.

### **13.10 Temporary and Seasonal Employees.**

Temporary and seasonal employees shall not be utilized on an overtime basis to perform work also done by bargaining unit employees except on a shift-continuation basis or when the City is unable to complete a full complement of bargaining unit employees to perform the needed services.

### **13.11 Probationary Employees.**

Probationary employees shall be entitled to work overtime and may be offered overtime before overtime hours are assigned to regular employees, but not until asking down the entire overtime list has failed to secure a full complement of employees necessary to complete the required assignment. The only exception to this provision shall be in the event that the technical expertise required to perform the necessary task is found only in the ranks of the probationer.

The names of probationary employees will not otherwise appear on the posted overtime list.

### **13.12 Compensatory Time.**

Effective upon the ratification of the agreement by both parties, employees shall have the option, in lieu of overtime pay, of accruing compensatory time off at the overtime rate. The maximum accumulation of compensatory time shall be eighty hours. Overtime hours worked when an employee has a current accumulation of eighty compensatory time hours shall be paid as overtime pay.

- a) Compensatory time shall be requested on the approved form 24 hours in advance except where the need arises from unforeseen circumstances.
- b) Compensatory time shall be accrued in 1 hour increments.
- c) Compensatory time shall be used in 1 hour increments.
- d) Overtime which is worked outside of the Department of Public Works, Parks and Recreation or facilities Maintenance shall be paid and not accrue as compensatory time.
- e) Compensatory time bank usage shall as far as possible be granted at times most desired by the employee, but final right to schedule compensatory time is exclusively reserved to the City in order to maintain proper operations of the City.
- f) Vacation requests shall have priority over compensatory time requests. Priority for the use of compensatory time will be based on the order in which requests are received.
- g) Compensatory time request on the 1<sup>st</sup> or 5<sup>th</sup> day of the normal weekly shift shall not exempt the employee from 6<sup>th</sup> or 7<sup>th</sup> day call-back.
- h) Compensatory time requested the day before or after a holiday shall not exempt an employee from call-back.
- i) The employer shall have the option of paying off compensatory time when scheduling time off would be unduly disruptive of operations. The use of compensatory time shall not be arbitrarily denied.
- j) The employee shall have the option of requesting payment for compensatory time.

## **14. SICK LEAVE**

### **14.1 Allowance and Physician's Report.**

Any employee contracting or incurring any non-service connected sickness or disability which renders such employee unable to perform the duties of her or his employment shall receive sick leave with pay subject to the conditions set forth below:

Starting from their date of hire, employees shall accrue one sick day per month. Employees shall be eligible for sick leave usage after successful completion of the probationary period. Sick leave shall continue to accrue only for the balance of the calendar month during which the employee begins to receive sick leave benefits or Worker's Compensation payments. Sick leave accrual shall restart upon the employee's return to work.

The City reserves the right to request the examination of an employee at the expense of the City in order to determine the 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, the information may be grounds for disciplinary action.

For absences of more than five working days, an employee must submit to the personnel department a statement by a physician stating the diagnosis, the date the condition began the general nature and duration of treatment and the probable date the employee will be able to return to work. This statement must be submitted within fifteen calendar days from the start of the absence. If the employee is unable to return to work by the indicated return date, then prior to this date the employee shall submit an updated physician's statement. If during the term of a leave, the employee becomes able to return to work, the employee shall obtain a physician's return to work release and return to work.

#### **14.2 Unused.**

Employees shall be compensated for accumulated unused sick leave in the following manner:

- (a) One-half (½) of all accumulated unused sick leave paid upon death or retirement. The amount of payment for all unused sick leave shall be calculated at the employee's average rate of pay over the last ten (10) years of employment with the City.
- (b) Employee with more than five (5) years continuous service and more than four hundred (400) hours accumulated sick leave and who takes no more than two (2) days of sick leave in any year shall receive full pay for the two (2) days at normal rate of pay.
- (c) Employee with less than five (5) years continuous service or less than four hundred (400) hours accumulated sick leave and who takes no more than two (2) days sick leave in any year shall have two (2) days returned to the sick leave bank.

The sick leave bonus program will be based on attendance during a calendar year, from January 01 through December 31. Any payments or leave balance adjustments will be made on the second pay date in January, immediately following the calendar year under review. Payment of item (a) above will be made as soon as possible after retirement or death and not subject to the January payment program.

#### **14.3 Reserve Sick Bank.**

Starting from their date of hire, employees shall accrue one-half reserve sick day per month for any month in which the employee is compensated for 80 or more hours of work to a maximum accumulation of 60 days. Employees shall be eligible for reserve sick leave usage after successful completion of the probationary period. Use of reserve sick leave days shall be for continuous illness only, and only after the expiration of regular sick leave and after twenty-one days of continuous illness. Reserve sick leave bank accumulation is not subject to pay provisions upon death or retirement.

#### **14.4 Long-Term Disability.**

- (a) Long-term disability applies to disability which is not covered by Worker's Compensation and which begins after the successful completion of the probationary period. All

long-term disability is subject to a thirty continuous calendar day waiting period. During the waiting period, sick leave will be charged at normal base rate. After twenty-one continuous calendar days of continuous disability and after regular sick leave has been exhausted, reserve sick leave shall be used. Any portion of the waiting period for which the employee does not have sick leave or reserve sick leave shall be charged to vacation leave.

Any portion of the waiting period for which the employee does not have sick leave, reserve sick leave or vacation leave shall be without pay.

(b) After the expiration of the waiting period, an employee who qualifies shall be placed on long-term disability for a maximum of twenty weeks. The waiting period shall be considered part of the twenty-week period. To qualify for long-term disability benefits an employee must be under the care of a medical doctor licensed to practice medicine. The Employer may require examination and confirmation of disability by a physician selected by the City.

(c) Recurring periods of disability which arise from the same or related causes and which are separated by less than six months of work shall be considered as one period of disability. These recurring periods shall be added together for the maximum benefit of twenty weeks.

(d) After the expiration of the waiting period, the employee's sick bank, reserve sick bank and vacation leave bank shall be reimbursed for fifty percent of the banked time used during the waiting period. Thereafter sick leave and the reserve sick leave are charged at the rate of fifty percent until exhausted and the City shall pay fifty percent of the employee's regular base pay until sick leave and reserve sick leave are exhausted. After sick leave and reserve sick leave have been exhausted, the employee shall be paid eighty percent of regular base pay for the balance of the period of disability.

(e) Upon the exhaustion of the long-term-disability benefit, personal business days, sick leave, reserve sick leave, accrued vacation and any FMLA leave to which the employee is entitled, employment shall terminate unless the employee is granted an unpaid personal leave as provided in Article 15.1. In order to be eligible for reinstatement under Article 15.1 Paragraph 4, the employee must have a doctor's statement attesting that the employee is physically able to perform duties of the position applied for.

#### **14.5 Family Sick Leave and Bereavement Leave.**

Employees shall be granted use of regular sick leave for other than personal illness as follows:

(a) **Illness in immediate family.** Employee may be granted sick leave if someone in the immediate family is sick and said person requires the attention of the employee. Family sick leave shall be limited to a maximum of one (1) day unless extension is approved by the department head. The maximum of one (1) day does not apply to leaves granted pursuant to 15.7 (d). Regular sick leave and vacation leave may be used for leaves granted under 15.7 (d).

(b) **Bereavement.** Employee shall be granted leave in the event of death of someone in the immediate family not chargeable to any other leave. Such leave will be limited to a maximum of three (3) days. Immediate family shall be defined as spouse, child, brother, sister, parent or parent-in-law, grandparent or grandparent-in-law, grandchild, brother-in-law, and sister-in-law. A maximum of five (5) days will be granted provided said funeral is more than 500 miles from the City.

#### **14.6 Worker's Compensation Act.**

- (a) A duty disability leave shall mean a leave required as a result of the employee incurring an illness or injury while in the employment of the City covered by Michigan Worker's Compensation Act.
- (b) In order to be eligible for duty disability leave, an employee shall immediately report any illness or injury, whenever possible, however minor, to the immediate supervisor and take such first-aid treatment as may be recommended or waive such first-aid in writing.
- (c) Seniority or probationary employees who are unable to work as a result of an injury or illness sustained in the course of employment with the City shall receive duty disability pay as follows:
1. First seven (7) calendar days, City will pay the employee regular pay for the working days falling within the first week of disability. Employee's sick leave will not be charged for this time; time shall be charged to duty disability leave which is limited to the working days in the first seven (7) calendar days only.
  2. After seven (7) calendar days, payment shall be governed by the regulations of Worker's Compensation Act. In such cases, the following shall apply:
    - (i) If the employee has sufficient accrued sick leave, the employee receive a payroll check for the difference between the Worker's Compensation check and the employee bi-weekly payroll check to the extent of accrued sick leave only.
    - (ii) After fourteen (14) days continuous absence, Worker's Compensation will reimburse the employee at the standard Worker's Compensation rate for the first week's absence previously paid by the City. Employee shall immediately reimburse the City upon receipt of such payment.
    - (iii) The Employer, through a combination of Worker's Compensation payments and City payments, will guarantee a minimum of eighty-five percent (85%) of the basic forty (40) hour weekly wage (or portion thereof). Said guarantee of payment to eighty-five percent (85%) shall be limited to a maximum of sixteen (16) weeks for each such disability.
    - (iv) During the first sixteen (16) weeks of disability wherein the provisions of (iii) above apply, accumulated sick leave or vacation leave will be charged at the rate of the balance (15%) for full pay. At the end of the sixteen (16) weeks, sick leave or vacation leave will be charged on a daily basis proportionately between full pay and Worker's Compensation payments to provide full pay until all such benefits have been exhausted.
- When all such benefits have been exhausted and any FMLA leave to which the employee is entitled, employment shall terminate unless the employee is granted an unpaid personal leave as provided in Article 15.1. In order to be eligible for reinstatement under Article 15.1, Paragraph 4, the employee must have a doctor's statement attesting that the employee is physically able to perform duties of the position applied for.

#### **14.7 Maternity Leave.**

Maternity leave shall be granted under the same conditions as leave for illness.



## 15. LEAVES OF ABSENCE

### 15.1 Unpaid Personal Leave of Absence.

**Eligibility Requirements.** After one year of service, employees shall be eligible for an unpaid personal leaves of absence for circumstances beyond the employee's control which require the employee to be absent from work. The leave shall not exceed 190 calendar days which shall include time taken under the FMLA for the same reason. However, no leave of absence shall be granted to seek employment with another Employer or in place of another type of leave of absence provided by law or by the Agreement for which the employee is eligible.

**Seniority and Benefits.** Seniority will not accrue for leaves of absence exceeding 30 days, except sick leave, Union leave, and as required by law. During the leave no benefits shall be provided or accrue or be paid except as required by law.

**Application.** A request for a leave of absence must be submitted in writing by the employee to the employee's department head. The request must state the reason for the leave and the beginning and ending date. The department head shall reply in writing within five days for a leave not exceeding 30 days or within 10 days for a leave exceeding 30 days.

**Reinstatement.** Upon expiration of the leave, the employee shall be reinstated to any position that is vacant in the classification the employee left or in any *vacant bargaining unit* position to which the employee is qualified to transfer. A vacant position is one which the City has determined to fill. If there is not a vacant position in the classification the employee left or in any position to which the employee is qualified to transfer, employment shall terminate. If the employee applied for reinstatement during the leave time granted, for a period of nine months after the expiration of the leave, the employee shall have preference for any vacant position as defined above and therefore the employee may be reinstated without a posting and shall have preference even if the job has been posted.

### 15.2 Union Business Leave.

Employees elected to any Union office or selected by the Union to do work which takes them from their employment with the Employer shall, at the written request of the Union, be granted a leave of absence within 14 calendar days of the receipt of the request. The leave of absence shall not exceed 2 years but it shall be renewed or extended for a similar period at any time upon the request of the Union, not to exceed a total of 4 years. Bargaining unit seniority shall continue to accrue. No benefits shall be provided or accrue or be paid except as provided by law.

If reinstatement is requested within 1 year from the date the leave began, the employee will be reinstated to the employee's former classification and department within 14 calendar days of the request. During this 1 year period, any employee or employees working a position or positions as a result of the vacancy created by the employee on leave shall be subject to bumping (including lay off if the employee was hired to a position from outside the unit) upon the return of the employee from leave. If reinstatement is requested after 1 year from the date the leave began (but still within the time limits stated in the preceding paragraph), the employee shall be eligible for reinstatement pursuant to Section 15.1 above.

Members of the Union selected by the Union to participate in any other Union activity shall be granted a leave of absence at the request of the Union provided that the number of members on leave pursuant to this paragraph or the paragraph above shall not exceed two. A leave of absence for such Union activity shall not exceed 30 days. Bargaining unit seniority shall continue to accrue. Benefits shall continue for a maximum of 30 days for each member

selected pursuant to this paragraph. Upon expiration of the leave, the employee shall be reinstated to the employee's former position.

### **15.3 Veterans Law.**

Except as hereinbefore provided, the re-employment rights of employees and probationary employees will be limited by applicable laws and regulations.

Employees who are reinstated in accordance with the above legislation and who seek and qualify for additional education and/or training under provisions of the Universal Military Training Act shall be accorded shift preference where possible and if necessary to meet academic schedules. Said qualified employee may, with approval of the City, request an educational leave of absence one (1) year after reinstatement as provided herein for a period not to exceed two (2) years.

### **15.4 Military Leave.**

Regular, full-time employees who belong to the National Guard, Officer Reserve Corps, or a similar military organization, will be allowed the normal fifteen (15) days leave of absence when ordered to active duty for training. Employee shall be compensated the difference between military pay and regular wages for the required period of mandatory training to comply with minimum selective service law.

### **15.5 Jury Duty.**

Employees shall be granted a leave of absence with pay any time they are required to report for jury duty or jury service. Employees shall be paid the difference between any jury duty compensation they receive and their regular wages for each day of jury service.

### **15.6 Personal Business Days.**

Employees shall be granted, upon thirty-six (36) hour notice to their supervisor, three personal days per year not chargeable to any other leave. The number of personnel granted said leave days at one time will be determined upon ability to perform services. Priority for use of personal leave days will be based on seniority. The supervisor may waive the notice requirement for unforeseeable circumstances requiring more immediate action.

### **15.7 Family Medical Leave Act.**

FMLA leave refers only to leave resulting from the statutory FMLA reasons: 1) birth of a child; 2) placement of a child due to adoption or foster care; 3) leave required due to one's own serious medical condition; or 4) leave required to care for a seriously ill spouse, son, daughter, or parent. Definition for terms used herein will be based upon the definitions provided in the Department of Labor regulations regarding FMLA.

(a) The "rolling 12-month" method will be used for determining one's eligibility for the full 12 week entitlement under the Act. Upon a request for FMLA, the City will look backwards to the previous 12-month period (dating back from the beginning date of the leave). Any FMLA leave that was used during that 12-month period will be deducted from the employee's 12-week entitlement for leave.

*For example, if the employee had already used 4 weeks of FMLA leave in the 12-month period prior to the start date of the leave in question, a maximum of eight weeks of FMLA leave would be authorized.*

(b) Employees are eligible for FMLA leave if they have worked for the City of Southfield for 12 months and have at least 1250 hours of service, including overtime according to time worked rather than paid, in the 12-month period prior to the starting date of the Leave. For FMLA calculation purposes, time off due to vacation leave, sick leave, reserve sick leave, worker's comp and unpaid absences only will be deducted from the employee's hours of service. There will be no deduction from hours of service for holidays, military leave, jury duty, or other administrative leave.

(c) In the case of leave taken for **one's own illness**, the City requires that the employee utilize all available leave banks under the current rules (sick leave, reserve sick leave, vacation). Entitlement for this leave will be subject to FMLA limitations as identified in #1 and #2 above; usage of this leave will be deducted from the employee's 12 week entitlement for FMLA, beginning with the 15<sup>th</sup> calendar day of continuous absence, or the date the employee exhausts all appropriate leave banks, whichever occurs first. Proper documentation and notice will be required. Certification forms are available in the Human Resources Department.

(d) In the case of leave taken to care for a **seriously ill spouse, child, or parent**, the City requires the employee to utilize all available leave banks under the current rules (regular sick leave, vacation leave). Note: Reserve sick leave is not available for this usage. Entitlement for this leave will be subject to FMLA limitations as identified in #1 and #2 above; usage of this leave will be deducted from the employee's 12 week entitlement for FMLA. Proper documentation and notice will be required. Certification forms are available in the Personnel Department.

(e) Should the leave requested be for the **birth or adoption of a child**, the employee must first use all available vacation banks to cover the absence. Note: Sick leave and Reserve Sick leave are not available for this usage. Entitlement for this leave will be subject to FMLA limitations as identified in #1 and #2 above; usage of this leave will be deducted from the employee's 12 week entitlement for FMLA. Proper documentation and notice will be required. Certification forms are available in the Personnel Department.

*This leave is distinct from maternity leave, which is granted under the same terms as leave for personal disability.*

(f) "**Donated**" time is not the same as the employee's own banked time. Leave accruals do not continue once an employee is on Donated time. The use of donated time will be deducted from the employee's 12 week entitlement for FMLA.

(g) During a period of unpaid FMLA Leave, the employee will **retain coverage** in the City's hospitalization, dental, and optical insurance plans to the extent that coverage was available prior to the Leave. The employee must make advance premium payments to the City for term life insurance premiums, if coverage maintenance is requested during an unpaid FMLA leave.

(h) Employees on an approved FMLA leave will retain **reinstatement rights** to their same or equivalent position, subject to the limitations in the Act. The City, at its expense may send an employee returning from a FMLA controlled leave for a medical examination to determine ability to return to work.

(i) **Intermittent FMLA leave** will be granted when the need for intermittent leave is properly documented, **except that**, intermittent FMLA leave which is requested due to the birth

or adoption of a child is dependent upon the approval of the Department Head. The City may transfer an employee on intermittent FMLA leave to an alternative position which better accommodates the employee's intermittent or reduced leave schedule. Upon completing the intermittent leave, employees will retain **reinstatement rights** to their same or equivalent position, subject to the limitations of the Act.

(j) Absences due to unpaid FMLA leave will be deducted from length of service calculations for pension payments; however, such time will not be deducted from length of service in order to determine vesting in the pension plan.

(k) Issues not addressed above which are covered in the Department of Labor Regulations will be handled according to the DOL guidelines.

### 16. VACATIONS

Regular full-time employees of the City shall receive vacation leave as described below. Eligibility for vacation leave shall be computed on the basis of completion of the required number of years of service (continuous) with the City on the anniversary (hire) date. During their probationary period, employees shall earn vacation credits, but they may not use them until they have completed their probationary period.

- 1 through 5 years of continuous service.....2 weeks
- 5 through 10 years of continuous service....3 weeks
- 10 through 15 years of continuous service....4 weeks
- Over 15 years of continuous service.....5 weeks

Rate Credits are Earned (Per month):

- 1 to 5 years.....6.67
- 5 to 10 years.....10.00
- 10 to 15 years.....13.37
- 15+ years.....16.17

On the fifth, tenth, and fifteenth anniversary date of hire, employees shall on a one time basis be credited with an additional week of vacation.

Vacations shall as far as possible be granted at times most desired by the employee, but final right to schedule vacations is exclusively reserved to the City in order to maintain proper operations of the City.

Maximum accumulation of vacation time shall be twice the annual amount earned. Vacation time in excess of twice the annual accumulation shall be forfeited.

Time lost by an employee by reason of absence without pay shall not be considered in computing earned credits for vacation leave. Employees receiving sick leave or Worker's Compensation benefits shall accrue vacation credits for a maximum of 30 days after starting to receive said benefits.

## **17. HOLIDAYS**

### **17.1 Holidays Recognized and Observed.**

The following days shall be recognized and observed as paid holidays:

New Year's Day	Thanksgiving Day
Martin Luther King Day	Day after Thanksgiving
Presidents' Day	Day before Christmas
Memorial Day	Christmas Day
Independence Day	Day before New Year's
Labor Day	Columbus Day
Good Friday	Veterans Day

Eligible employees shall receive one day's pay for each of the holidays listed above on which they perform no work.

Whenever any of the holidays listed above shall fall on Saturday, the preceding Friday shall be observed as the holiday.

Whenever any of the holidays listed above shall fall on Sunday, the succeeding Monday shall be observed as the holiday.

### **17.2 Eligibility Requirements.**

(a) The employee would have been scheduled to work on such day had it not been observed as a holiday unless the employee is on a scheduled day off, vacation, or sick leave. An employee on layoff shall not receive holiday pay.

(b) The employee worked the employee's scheduled work day prior to the holiday and the employee's scheduled work day after the holiday unless excused by the Employer or absent due to illness. Proof of illness may be required for the second such occurrence and thereafter. If a holiday is observed on an employee's scheduled day off or vacation, the employee shall be paid for the unworked holiday.

### **17.3 Holiday Work.**

If an employee works on any of the holidays listed above, the employee be paid the following premium rates in addition to holiday pay for all hours worked: Double time for all hours worked.

### **17.4 Holiday Hours for Overtime Purposes.**

For the purpose of computing overtime, all holiday hours (worked or unworked) for which an employee is compensated shall be regarded as hours worked.

## **18. UNIFORMS AND PROTECTIVE CLOTHING**

Employees are required to wear proper uniforms while on duty; exception may be granted by the respective department head depending upon the nature of the specific work assignment.

Each employee shall receive a uniform allowance of up to \$350 per fiscal year. This allowance will be paid in two equal lump sums of \$175, one during the month of July and the other during the month of January. Effective upon ratification, new hires will receive their first allotment of \$175 with their first paycheck. Eligibility for payment requires the payee to be on the payroll the first day of the month during which payment is made. The allowance shall be spent on items approved by the City such as work pants, work shirts, work shoes, work gloves and work jackets.

All uniforms severely damaged or destroyed in the line of duty shall be replaced by the City.

If any employee is required to wear protective clothing or any type of protective device as a condition of employment, such protective clothing or protective device shall be furnished to the employee by the City.

Employees within the classification of Animal Warden and Animal Warden Senior shall be entitled to up to one hundred dollars (\$100.00) per year reimbursement for cleaning uniforms.

Uniforms and protective clothing are not to be worn while the employee is not on duty.

## **19. HOSPITALIZATION AND MEDICAL INSURANCE**

### **19.1 Hospitalization Insurance.**

The City shall provide hospitalization insurance for the employee and dependents which shall consist of benefits as rendered under the basic program offered through Michigan Blue Cross and Blue Shield MVF-1 with both a major medical benefit rider and a prescription program, but with the following exceptions applying:

- (a) The City shall provide the ML Rider or equivalent.
- (b) The City shall provide the M.S.O. Rider or equivalent.
- (c) Blue Cross and Blue Shield for active employees shall include the RM and RPS riders. The ACS MOD 28 (Section 1. (c) shall be eliminated).

Effective April 23, 2007: The Prescription Drug Co-Pay for all plans for active employees and individuals who retire after 6/30/05 shall be \$10 generic and \$20 brand (whether or not there is a generic equivalent) For participants in an HMO, where there is a generic equivalent, and the employee instead takes the brand drug, the employee may be required according to HMO rules to pay the difference between the brand drug and the generic equivalent, in addition to the \$20 charge for the brand drug.

The ML, RM and RPS riders shall be effected for all present and future retired members by effecting the EXACT FILL rider.

For employees and present and future retirees, the Blue Cross/Blue Shield Traditional master medical deductible shall be \$100 per person and \$200 per family.

The City agrees to provide the above described program or the equivalent of same.

The Union will receive thirty (30) days prior notification of any change in carrier. Any dispute as to comparability of coverage will be submitted immediately to the arbitration step of the grievance procedure, using a qualified insurance expert as the arbitrator. In the event the City and the Union cannot agree upon an arbitrator, each party shall select an expert, and the two experts shall appoint an arbitrator.

At the time of an open enrollment, employees may elect Community Blue Preferred Provider Organization in place of the health insurance set forth section 19.1 as long as Community Blue Preferred Provider Organization is offered by the City as one of the health insurance options. The Community Blue PPO which is offered is summarized in the attached Benefits-at-a-Glance, Plan 1, City of Southfield #67890. As noted on page 2 of the Benefits-at-a-Glance, the prescription drug coverage has a \$5.00 co-pay.

[See section 22.9, 22.10 and 22.11 for post retirement medical insurance.]

### **19.2 Optical and Dental Insurance.**

Optical and dental insurance will be provided which shall be the same as currently provided and as set forth in the Appendix J and K.

### **19.3 Married Couples.**

Effective April 23, 2007: For 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, dental policy and optical policy and may include the other spouse and dependents if eligible so long as they remain married. A spouse who is an employee and who is covered under his or her spouse's policy will be eligible for an annual payment equal to \$1300 for employees with 2-person coverage and \$1600 for employees with family coverage, payable on a biweekly basis. This payment is not available to retirees.

### **19.4 Medical Opt-out Program.**

#### **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

#### **Exclusions:**

You are ineligible to receive the Opt-Out payment if you are:

- 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.
- on a leave of absence during which City paid medical benefits are not provided.

**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.

**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.
- Part-time employees will receive a 50% or 75% payment depending on their part-time status.

These payments will be taxable to the recipient.

**Enrollment:**

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.

Employees, other than new hires, must complete the application and documentation process during the annual Open Enrollment period in September of each year. You will be notified if your application is approved. Annual re-enrollment will not be required. You will automatically be re-enrolled until such time as you reinstate your City of Southfield health benefits. If you are terminated from the program, you will receive a termination letter.

**Qualifying Events for Changes:**

Your participation in the Opt-Out Waiver Program will remain in effect unless you file 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.

**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.



**Pension:**

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

**19.5**

**Employee Payment.**

Employees hired after April 23 2007 shall pay the following percent of base pay for medical, dental and optical coverage: 1 person, 2.0%; 2 person, 4.0%; family, 5.0%. If the employee opts out of medical insurance, but desires to have dental and/or optical insurance, the employee shall pay a prorated percent of base pay calculated by dividing the dental and/or optical insurance premium by the medical insurance premium and rounding to the tenth of a percent.

**20. LIFE INSURANCE**

The City shall provide term life insurance benefits with accidental death and dismemberment for qualified employees as soon as possible, through the proper insurance carrier in accordance with the following schedule:

30 months or less continuous service	<u>\$30,000</u>
Over 30 months	<u>\$50,000</u>

The option to purchase additional life insurance at the employee's expense is rescinded. The City will continue the payroll deduction for the employees who had the optional life insurance on 6/30/97.

**21. LONGEVITY PAY**

The City shall pay its employees longevity pay. The method of computation and/or wage basis for longevity shall be on the annual base earnings of the employee. The schedule for payment of longevity shall be as follows:

<u>PERCENT</u>	1%	2%	4%	6%	8%
<u>YEARS</u>	3	5	10	15	20

Payment of longevity shall be made in December of each year and shall be based on continuous years of service. Employees must have reached the years of service level on or before December 31 of the payable year and must be on the payroll as a regular full-time employee on the date of payment.

Employees hired after 7/1/83 will not be eligible for longevity benefits.

Effective 12/1/84, the following schedule for payment shall be effect:

Current employees with less than 10 years service - no longevity except that employees currently eligible for longevity will have longevity payment frozen at the 12/1/84 amount until the employee reaches the 10 year level.

- After 10 years of continuous service: \$1,000/year lump sum
- After 15 years of continuous service: \$1,500/year lump sum
- After 20 years of continuous service: \$2,000/year lump sum
- After 25 years of continuous service: \$2,500/year lump sum

## 22. PENSION PROGRAM

**22.1** Effective 7/1/03, the retirement program shall be as set forth in Ordinance No. 1491, enacted February 24, 2003, except as provided otherwise in this collective bargaining agreement. In Ordinance No. 1491, “nonunion member” or “non-union member” shall mean “employee” for purposes of this agreement except where this agreement specifies a different provision.

For employees who retire after July 1, 2003, the pension multiplier shall be changed from 2.25% to 2.5%.

**22.2** The City shall provide on an annual basis a statement for each member of the employee’s amount of immediate past annual contribution to the Southfield Employees Retirement System. The union president shall be notified of meetings of the retirement board.

**22.3** Effective 7/1/92, the employee pension contribution shall be 3.5%. Effective 7/1/01, the employee pension contribution shall be 2.5%. Effective 7/1/02, the employee pension contribution shall cease. Effective 10/5/2009, employees shall make a 3% non-refundable, pre-tax pension contribution. This contribution will be made on pensionable wages, i.e., any compensation that would be included in Final Average Compensation. Employees shall make an additional 0.41% non-refundable, pre-tax pension contribution on pensionable wages effective 10/5/2009. The employee pension contribution begins at date of hire.

**22.4** In addition to present normal retirement eligibility, normal retirement is allowed at age 57 with 25 or more years of service, and effective 10/27/95, age 65 with five or more years of service. Effective 7/1/02, in addition to the current eligibility conditions, members are allowed to retire with an unreduced regular pension when the member’s age plus service totals 82. Fractional parts of age and service may be used in the calculation. The total must be equal to or greater than 82 without rounding.

**22.5** City employees covered by the AFSCME Local 329 contract shall participate in the 414h program.

**22.6** Unpaid leaves of absence in excess of ten working days are deducted from service time for retirement and pension.

**22.7** For employees who retire after July 1 2003, upon commencement of a member’s monthly pension pursuant to Sections 1.319, 1.320, 1.321, 1.324 or 1.325, or upon the commencement of the monthly pension of a member’s eligible spouse or nominated beneficiary pursuant to Section 1.323(3), he or she shall be paid the member’s accumulated contributions standing to the member’s credit in the retirement system on June 30, 1995 plus 50% of the member’s contributions made from July 1, 1995 through June 30, 2002 plus interest on these accumulated contributions which accumulate until they are paid in accordance with this section.

For employees who terminate or retire on or after October 5, 2009, upon commencement of the member’s monthly pension pursuant to Sections 1.319, 1.320, 1.321, 1.324 or 1.325, or upon commencement of the monthly pension of a member’s eligible spouse or nominated beneficiary pursuant to Section 1.323(3), he or she shall be paid the member’s accumulated contributions standing to the member’s credit in the retirement system on June 30, 2002, plus interest on these accumulated contributions which accumulate until they are paid in accordance with this section.

**22.8** Employees hired after April 23, 2007 shall be subject to the following pension plan modifications:

Regular retirement eligibility: age 65 with 10 years of service, age 62 with 20 years of service, age 57 with 25 years of service

Benefit multiplier: 2.0%

FAC: highest 5 consecutive years of last 10 years, include a maximum of 100 hours of vacation paid at retirement

Benefit cap: 70% of FAC

Employee contribution: 3% of pensionable wages, payable as a salary reduction on a pretax basis under IRC Section 414 (h). These contributions will not be refunded at retirement.

**22.9** For employees who retire after July 1, 2003, they and their eligible spouses or eligible surviving spouses will be eligible to receive medical insurance from the City according to the following conditions:

- A. In order to be eligible to participate in the City-provided retiree health insurance, the employee and eligible spouse (if the employee elects coverage for the spouse) must participate continuously from the time the employee begins receiving a pension. Retirees or spouses who terminate their participation will lose their eligibility to participate again. This subsection A does not apply to the possible interruption in City-provided retiree health insurance set forth in subsection F below.
- B. The retiree portion of the post-retirement medical payment shall be ten dollar (\$10.00) per month for a single retiree and twenty dollars (\$20.00) per month for a married retiree and eligible spouse.
- C. When the retiree or covered spouse becomes eligible for Medicare, Medicare must be applied for. Upon receipt of Medicare coverage, the City-provided insurance will change to Medicare supplemental insurance. The Medicare recipient shall be responsible for the Medicare premium. The Medicare premium is not a factor in determining the retiree's share of the premium for City-provided health insurance.
- D. An eligible spouse or surviving spouse is one to whom the member was legally married at the time of retirement. If an employee does not elect a survivorship option for pension, a surviving spouse is not eligible for medical insurance coverage under the City's policy after the retiree's death. Coverage for a spouse terminates upon divorce.
- E. This benefit is not paid for individuals who terminate service prior to vesting or who withdraw their contributions from the retirement system. This benefit is not paid to individuals whose employment terminated or who retired prior to 7/1/03.
- F. The City-paid health insurance shall terminate in the case of a retiree and surviving spouse, if that individual assumes employment elsewhere and that employer provides health coverage to its employees which does not substantially differ from that offered by the City; provided that should the individual lose such coverage from the other employer for any reason, including voluntary or involuntary separation of employment, upon

production of proof of such loss to the City and satisfaction of continuing eligibility, the City's obligation to provide health coverage shall recommence immediately.

- G. The benefits of this section are not vested. The employee shall be eligible for retiree health insurance coverage according to the conditions in effect on the date the employee retired or on the date the employee terminated service with a vested pension. Eligible employees who terminate service with a vested pension will be eligible for retiree health insurance coverage when they begin to receive their pension. The health insurance plans available to retired employee through the City shall be as determined by the City.
- H. Except as otherwise provided in this collective bargaining agreement, participation in City-paid retiree health insurance shall be subject to the conditions set forth in the Code of the City of Southfield in the Chapter designated Retiree Health Care Benefits Plan and Trust.

**22.10** Effective July 1, 2005, all employees shall make a 1.0% RHC (VEBA) contribution. Effective July 1, 2006, employees shall make an additional 1.0% RHC contribution.

**22.11** Employees hired after April 23, 2007 shall be subject to the following eligibility requirements and premium co-pays for retiree health insurance:

- 0-14 years of service: No insurance offered
- 15-24 years of service: retiree pays 50% of premium; City pays 50% of premium
- 25 or more years: retiree pays 20% of premium; City pays 80% of premium

**22.12** Payments for unused vacation leave accumulations shall be included in calculating a member's final average compensation. For any year used in calculating final average compensation, the amount of payment for unused vacation leave which is used shall not exceed the amount of payment for twice the member's vacation accrual for the year.

**22.13** Effective upon ratification by both parties, employees may elect to purchase credited years of service for pension benefit determination, not to exceed three years. This service shall be active duty service in the Armed Forces of the United States (Army, Navy, Marines, Air Force, Coast Guard). The employee exercising this option shall pay the total cost so that there shall not be any additional cost either to the City or to the pension plan. The following conditions shall apply.

- A. The employee must be vested at the time the purchase is begun.
- B. The military service applied to the City pension cannot be service which is used for a military pension.
- C. The employee shall pay the cost of the actuarial determination of the cost for the employee.
- D. The cost may be paid at the time of the election of the option or it may be paid over a term of five years. It is understood that if the extended payment is elected, the cost will include interest on the payments as determined by the City's actuary. The extended payments shall be by payroll deduction. Time may be purchased only during the time the employee is an employee of the City and within the SERS retirement system. If the employee becomes ineligible to continue payments, the purchase shall be prorated as determined by the City's actuary. Payment must be completed 30 days prior to the submission of a request to retire.

- E. The purchase shall have no other effect on the determination of final average compensation other than that the number of years of service shall be increased by the amount of time purchased.
- F. The parties agree that the determinations made by the City's actuary to insure that there is no cost to either the City or to the pension plan are final and not subject to the grievance procedure.

## **23. WAGES**

### **23.1 Wage Schedule.**

Employees shall be compensated in accordance with the wage schedule attached to this Agreement and marked Appendix A. The attached wage schedule shall be considered a part of this Agreement.

There shall be no wage increase for July 1, 2009 through June 30, 2010.

**(a) New Positions.** If a new job should be created within the bargaining unit due to the introduction of new equipment or significant change to methods or operation, a temporary rate may be established by the City for a period not to exceed sixty (60) days. During this period, the City and the Union shall bargain on the rate of the new job. If no agreement has been reached at the end of such sixty (60) days, the matter shall be processed through the Grievance Procedure (3rd Step). Any change developed either by mutual agreement or through the Grievance Procedure shall be retroactive to the date of assignment to said temporary rate.

**(b) Pay Increase.** Within Established Range Unless mutually agreed upon by the Union and the Employer, employees shall move from the minimum step in the pay range to the maximum step in regular increments as indicated in Appendix A subject to the provisions of Article 23, Paragraph C below.

**(c) Probationary Pay Increase.** Probationary personnel shall be eligible for rate increase after three (3) months as set forth in accordance with Appendix A attached hereto. Such rate increase, if granted, shall be at the discretion of the Department Head and not subject to Article 23 Paragraph B above.

### **23.2 Pay Period.**

The salaries and wages of employees shall be paid every other Friday of the appropriate week. In the event this day is a holiday, the preceding day shall be the pay-day.

The employees getting night shift differential pay will be paid on Thursday of the appropriate week.

### **23.3 Out of Classification Pay.**

Employees required to work in a higher classification for four (4) hours or more shall be paid the rate of the higher classification for the entire day.

**23.4 Premium Pay.**

Premium pay shall be twenty-five cents (\$0.25) per hour for afternoon shift and thirty cents (\$0.30) per hour for midnight shift for all employees regularly scheduled for said shift.

**23.5 Group Leader.**

(a) Group Leaders, when assigned, will be of the minimum classification of Maintenance Worker III whenever possible and if available, at the discretion of the assigning supervisor or Department Head. The temporary assignment of a more senior worker to an established crew shall not result in a change of the Group Leader.

(b) An employee assigned to work in the capacity of Group Leader shall be paid in addition to the regular rate for each hour worked in this assignment as follows:

\$0.35 per hour when two to four (2-4) men excluding the leader are supervised

\$0.45 per hour when five (5) or more men excluding the leader are supervised

**23.6 Deferred Compensation.**

Employees shall have the opportunity to participate in the deferred compensation plan.

**23.7 Residency Incentive.**

The City will contribute 1.5% of base salary annually to a deferred compensation fund for employees living in the City of Southfield in accordance with the procedure in effect on the date the agreement is ratified.

**23.8 Operators' Pay.**

Employees who operate any of the listed equipment below will upon completion of training period (240 hours) receive an additional \$.25 per hour while operating said equipment. This applies to all Maintenance Workers, Maintenance I's and Maintenance II's.

**EQUIPMENT**

Back-hoe	Grade-all	Sewer jet
Bucket Truck	Graders	Sweepers
Cement Breaker	Loaders	Trencher
Chippers	Paver	
Drive Mower/Tractor	Roller	

**23.9 Direct Deposit.**

Effective not later than 90 days after ratification of this agreement, all employees shall have direct deposit of all regular and special pays. The deposit shall be to one institution only except as may be provided in payroll department guidelines.

## **24. GENERAL PROVISIONS**

### **24.1 Pledge Against Discrimination and Coercion.**

The provisions of this Agreement shall be applied equally to all employees in the bargaining unit without discrimination as to age, sex, marital status, race, color, creed, national origin, or political affiliation. The Union shall share equally with the Employer the responsibility for applying this provision of the Agreement.

All references to employees in this Agreement designate both sexes, and wherever the male gender is used it shall be construed to include male and female employees. The Employer agrees not to interfere with the rights of employees becoming members of the Union, and there shall be no discrimination, in reference, restraint or coercion by the Employer or any Employer representative against any employee because of Union membership or because of any employee's activity in an official capacity on behalf of the Union.

The Union recognizes its responsibility as bargaining agent and agrees to represent all employees in the bargaining unit without discrimination, interference, restraint or coercion.

### **24.2 Qualified Employees with a Disability.**

In the administration of this Agreement, the City and the Union will provide reasonable accommodations to qualified employees with a disability. The need for and extent of such accommodations shall be determined by the City in accordance with its interpretation of the requirements of law, even if such accommodations may be in conflict with another provision of this Agreement. Prior to making an accommodation that would conflict with the provisions of this Agreement, the City will notify the Union of such accommodation and discuss same with the Union; provided that the City shall make the final determination whether such accommodation shall be implemented if the Union does not agree to the accommodation. The reasonableness of the accommodation shall be subject to the grievance and arbitration provisions of the contract. However a ruling by a court shall have precedence over the contract or an arbitrator's decision.

### **24.3 Union Bulletin Boards.**

The Employer agrees to furnish and maintain suitable bulletin boards in convenient places in each work area to be used for the Union.

The Union shall limit the posting of notices and bulletins to such bulletin boards.

### **24.4 Visits by the Union Representatives.**

The Employer agrees that an accredited representative of the American Federation of State, County and Municipal Employees, whether a local Union representative, district council representative, or international representative, shall have full and free access to the premises of the Employer at any time during working hours to conduct Union business, provided he or she has given the City notification of his or her whereabouts, and how long he or she will be in the City, and whom she or he wishes to see, and providing she or he does not interfere with the usual business operation of the City.

#### **24.5 Enforcing Work Rules.**

Employees shall comply with all rules that are not in conflict with the terms of this Agreement, provided the rules are uniformly applied and uniformly enforced.

The procedure for establishing new work rules shall be as follows:

- A. Rules shall be drafted by the Employer and posted on the applicable department bulletin boards. Set rules shall have an effective date as established by the Employer.
- B. The Union shall have the right to review said rule(s) with the Employer within fifteen (15) work days after said posting with regard to the reasonableness of said rule(s).
- C. Any unresolved complaint regarding the unreasonableness of a new rule or any complaint involving discrimination in the application of a new rule shall be submitted to the second step of the Grievance Procedure within three (3) work days after the review period has terminated provided however, that the Union has taken the opportunity as indicated above.
- D. An existing set of work rules will be provided for the Union and the employees not subject to B and C above. Thereafter, any new rules will be submitted under provisions for establishing new rules as provided above. All other rules either contained in the list or inadvertently omitted from the list will, upon verification and/or past practice, be admissible as an existing rule and not subject to B and C above.

#### **24.6 Working Supervision.**

Supervisors shall not normally perform bargaining unit work. Supervisors may perform bargaining unit work for the purposes of training, instruction, or during emergencies when there are not enough employees available to perform the work necessary to take care of the emergency.

#### **24.7 Seasonal and Temporary Employees.**

Seasonal employees, performing work also done by bargaining unit employees, shall not work in such capacity longer than nine consecutive months at a time in the Parks and Recreation Department or six months in other departments. Temporary employees, performing work also done by bargaining unit employees, shall not work in such capacity longer than six consecutive months at a time.

#### **24.8 Safety and Sanitary Conditions.**

Employees covered hereby, in the performance of their jobs, shall at all times use safety devices and protective equipment which may be furnished to them hereunder and will comply with the safety, sanitary or fire regulations issued by the City.

There shall be a safety committee consisting of two Union employees selected by the Union and two management representatives. They shall hold monthly meetings when needed to investigate unsafe conditions, and keep a record of such meetings.



## **24.9 Employee Reports.**

The City will furnish the Union with a monthly transaction report outlining all new hires, their classification and status that is, temporary, seasonal, regular, etc. This report will also show any promotions and dates of hire, transfer, layoff, or movement into or out of the bargaining unit.

## **24.10 Supplemental Agreements.**

All supplemental agreements shall be subject to the approval of the Employer, AFSCME Council #25, and the Union. They shall be approved or rejected within a period of ten (10) days following the date they are filed by the Local Union. Supplemental agreements shall be signed by the President of Local 329, a representative of Council #25, and the City.

## **24.11 Tuition Reimbursement.**

Career employees may qualify for tuition reimbursement of seventy-five (75%) percent of actual tuition and institution-required fees (excluding late fees). The maximum reimbursement will be \$2,500 per fiscal year (July 1 to June 30) for full-time career employees; in no case shall the reimbursement exceed the actual cost to the employee. Further, the City will reimburse full time career employees an additional seventy-five percent (75%) of the actual cost for books each term in which the employee is entitled to tuition reimbursement. Part time career employees will receive reimbursement subject to the following maximum payments:

- (a) For employees eligible for 50% benefits:  
\$1250 per fiscal year tuition reimbursement maximum;  
75% reimbursement for books.
- (b) For employees eligible for 75% benefits:  
\$1875 per fiscal year tuition reimbursement maximum;  
75% reimbursement for books.

These payments are all subject to the following conditions:

- (1) Course work be taken at or under the direction of an accredited institution.
- (2) Qualifying disciplines shall be: (a) course work related to a function in which the City employs career staff; (b) course work in management or public administration; or (c) course work required for the completion of a diploma, certificate, or degree in a discipline related to a career classification in the City.
- (3) Course work be pre-approved, in writing, by the employee's Department Director and the Human Resources Department as qualifying for reimbursement. This approval must be obtained and on file with the Human Resources Department prior to class commencement.
- (4) A minimum grade of "B" (3.0 on a 4.0 scale) must be obtained.
- (5) Tuition reimbursement shall not be paid to probationary employees. However, tuition reimbursement may be granted to career employees for courses begun during the probationary period but completed after career status has been granted, provided all other provisions of this Section have been observed.

- (6) An application for tuition reimbursement, along with receipts for tuition and books as well as the final course grade are submitted to the Human Resources Department within thirty (30) days of completing the course. Failure to submit a timely and complete reimbursement application will forfeit the employee's right to such payment.
- (7) In applying for and receiving tuition reimbursement benefits (including books and fees) under this Section, employees must agree to refund the City for any tuition benefits which are received in the one-year period prior to their resignation, retirement (regular or early), or discharge for cause. Employees receiving a duty disability or on a medical leave of absence will not be required to refund tuition benefits.

#### **24.12 Vacation Time Donation.**

In the event a full-time bargaining unit member is: (a) on an approved long-term disability leave which is not covered by Worker's Compensation, (b) has exhausted all sick leave, reserve sick leave, vacation and personal leave day banks, and (c) has exhausted the twenty-week maximum disability pay and would be eligible only for unpaid leave, the employee will be eligible to receive donations of vacation time from other members.

This program is strictly voluntary. The notice of the occasion to donate shall be written rather than by in-person contact and the donors shall not be publicized. There is no assurance that an employee would receive any donated time nor would the City assume any responsibility for advocating donations.

Only vacation time may be donated and only in the amount of four (4) hours or multiples of (4) hours. Each employee choosing to donate time would sign a written authorization form indicating how much time they would like to donate to a particular employee. This form will indicate that the employee waives any claim to the time donated. The donation shall be hour-for-hour without regard for differing rates of pay. The donated time will be treated as regular sick leave time for the recipient. If the absent employee returns to work prior to using all the donated time, such time shall be returned to the donors on a pro-rata basis.

#### **24.13 Snow Closing.**

If a snow closing is declared by the City, employees who are not working in, or, in the City's sole determination needed in the snow emergency call-back system, shall be covered by the same snow closing policy as Administrative Civil Service employees. If circumstances require an application of the snow closing policy specific to some members of the bargaining unit, the determination shall be made by the department head. (For example, the declared snow closing might be directed to day shift employees and the department head would have to determine if the snow closing was still warranted for shifts reporting later.)

#### **24.14 Intent for Parks and Recreation and Forestry.**

1. It will be the intent of Supervision to provide the Forestry Division with first call opportunity for all forestry related emergency work.
2. It will be the intent of Supervision to utilize Forestry personnel in forestry-related work to the greatest extent practicable.

**24.15 Intent for Parks and Recreation - Golf Division.**

1. A separate Golf Division shall be established under Parks and Recreation for classifications of Greens keeper I, II, and III, and Greens keeper.
2. This division shall be created because of the technical expertise required in the maintaining of a quality golf course.
3. Greens keepers shall be qualified in the technical aspects of golf course care, including, but not limited to, the ability to recognize turf diseases and the symptoms of diseases, proper watering practices, proper chemical and fertilizer application, knowledge of sprayer and spreader calibration techniques, and experience in proper cup-changing methods.

**24.16 Extended hours.**

The definition in the contract that a work day shall consist of eight consecutive hours will not preclude the parties considering the feasibility of a ten hour day for parts of the year. This issue could be discussed in the J.E.E.P. program or in any other forum judged appropriate, it being understood that, from the City's part, any change would require full administrative approval. If the parties mutually agree on a schedule modification, this agreement will address those aspects of the contract affected. This agreement to discuss indicates an open mind on the issue and not a commitment to a particular position on the issue.

**24.17 Snow Emergency.**

The policy on a classified snow emergency will include an agreement allowing employees working long shifts during classified emergencies sixteen (16) hours per year not chargeable to their accrued time. The snow emergency hours may be used in four (4) hour increments. Employees who work a full night prior to or ending a declared emergency (start up or ending shifts) are eligible. This agreement would be used to help in the start up and ending of classified emergencies where longer hours may occur.

**24.18 Relief Leave.**

Relief leave will be established for use when unforeseen circumstances cause long, continuous hours of work, i.e. water main breaks, storm damage, snow removal operations, etc. This leave is independent of "snow emergency" in Section 24.17.

Each employee will be given a one-time startup bank of eight hours. Additional relief leave shall accumulate for all overtime worked as follows:

1. One hour of relief leave shall accumulate for every eight hours of overtime worked. These overtime hours do not need to be continuous.
2. Relief leave bank shall be capped at 56 hours. Effective 10/13/09, the relief bank cap shall be increased to 80 hours.

The following condition will determine the use of relief leave:

1. Overtime ends less than eight hours before the start of the employee's regular shift. The lost time from the start is made up from the relief bank.

2. Overtime extends into the start of the employee's regular shift. When and if the overtime and the regular shift equal 12 hours, the employee may use relief leave for the balance of the regular shift.
3. If relief leave is used, it will not be viewed as sick time, allowing the employee to be eligible for call back at the end of the regular shift.
4. The number and timing of hours to be taken as relief leave will be determined jointly by the supervisor and the affected employee. If there is no agreement as to a fair and equitable determination, the department director or designate will render a decision.

The relief bank is not compensable in cash or other leave time and is not transferable.

#### **24.19 Light Duty.**

The City will continue to involve the Union in the development of a light duty policy to ensure that such policy is in conformity with the parties contract.

### **25. TERMINATION**

The provisions of this document, unless otherwise specified elsewhere within this Agreement, shall be effective as of the first day of July, 2009, and shall remain in full force and effect until the 30th day of June, 2010.

It shall be automatically renewed from year to year thereafter unless either party shall notify the other in writing ninety (90) days prior to the anniversary date that it desires to modify this Agreement. In the event that such notice is given, negotiations shall begin not later than sixty (60) days prior to the anniversary date; this Agreement shall remain in full force and be effective during the period of negotiations and until notice of termination of this Agreement is provided to the other party in the manner set forth in the following paragraph.

In the event that either party desires to terminate this Agreement, written notice must be given to the other party no less than ten (10) days prior to the desired termination date which shall not be before the anniversary date set forth in the preceding paragraph.

### **26. SPECIAL PROVISION FOR 2009-2010 CONTRACT**

For the term of the 2009-2010 agreement, if the City agrees with any other employee group to a net increase in compensation or a net lesser decrease in compensation than that agreed to with AFSCME 329, the city agrees that it will make the same adjustment(s) to the agreement with AFSCME 329 if the adjustment(S) involves a provision common to the two agreements. If the adjustment(s) involves a provision not common to the two agreements, the City will make a good faith effort to maintain equitable settlements. "Employee group" means any of the nine bargaining units, unrepresented Administrative Civil Service employees or Management Group employees. Changes in compensation imposed by a third party are not included in this agreement. "Compensation" is comprised solely of the monetary aspects of the elements listed below:

Term of Agreement  
Base wages  
Pension contributions

RHC contributions

Bonuses

Overtime and premium pay rates and conditions for payment

Amount of paid time off: vacation, personal business time, holiday pay, and compensatory time

Vacation pay in lieu of time off

Shift differential

Number of hours worked for base wages

Longevity pay

Sick leave accrual rate

Payment for unused sick leave

Reserve sick leave accrual rate

Long-term disability

Pay for paid leave of absence

Health, dental, optical and life insurance benefits, premium payments and co-pays for active and retired employees

Payments in lieu of health insurance

Pension benefits

Uniform and cleaning allowances

Tuition reimbursement

IN WITNESS WHEREOF, the parties hereto have set their hands this 25 day of January ~~2010~~ <sup>2011</sup>

FOR THE UNION:

[Signature] PRESIDENT  
[Signature] VICE PRESIDENT  
[Signature] CHIEF STEWARD  
[Signature] PAR STEWARD

FOR THE EMPLOYER:

[Signature]  
Brenda L. Lawrence, Mayor  
[Signature]  
Nancy L. M. Banks, City Clerk

FOR AFSCME COUNCIL 25:

[Signature]

**APPENDIX A**

H-38 Building Service Worker: This classification, if utilized by the City, will replace the existing classifications of Custodian and Senior Custodian which will remain as redlined classifications for incumbent employees holding these classifications as of January 1, 1986. The redlining of classifications means that the classifications so designated will be eliminated when current incumbents of those classifications leave their positions through separation, transfer or retirement.

Part-time Building Service Worker positions, if utilized by the City, will be included in the bargaining unit. Employees hired as part timers will be scheduled no more than 20 hours per work week and shall be entitled to one-half (½) benefits.

H-38	Building Service Worker I
H-38a	Building Service Worker II
H-38b	Building Service Worker III
H-38c	Facilities Service Worker I
H-38d	Facilities Service Worker II
H-38e	Facilities Service Worker III
H-39	Maintenance Worker, Urban Forester, Greens keeper, Landscape Horticulturist,
H-39a	Stock Clerk
H-39b	Stock Clerk II
H-40	Maintenance Worker I, Urban Forester I, Greens keeper I, Landscape Horticulturist I
H-41	Animal Warden, Custodian
H-42	Senior Animal Warden, Senior Custodian, Maintenance Worker II, Urban Forester II, Greens keeper II, Landscape Horticulturist II
H-43	Maintenance Worker III, Greens keeper III, Landscape Horticulturist III, Urban Forester III
H-44	Fleet Technician, Mechanical Trades Technician, Finishing Trades Technician, Civilian Fire Mechanic
H-45	Fleet Technician I, Mechanical Trades Technician I, Finishing Trades Technician I, Civilian Fire Mechanic I
H-46	Fleet Technician II, Mechanical Trades Technician II, Finishing Trades Technician II, Civilian Fire Mechanic II
H-47	Fleet Technician III, Mechanical Trades Technician III, Finishing Trades Technician III, Civilian Fire Mechanic III
H-48	Communication Technician III
H-49	Head Greens Keeper, Golf Business Liaison, <u>Urban Forester Liaison</u>
H-50	<u>Physical Plant Maintenance Liaison</u>

*AFSCME 329 Effective 7/1/08 (1%)*

	<b>A-1 (Start)</b>	<b>A (3 Mos)</b>	<b>B (6 Mos)</b>	<b>C (12 Mos)</b>	<b>D (18 Mos)</b>
<b>H-38</b>	\$10.99	\$11.18	\$11.34	\$11.69	\$12.05
<b>H-38a</b>	\$12.43	\$12.55	\$12.81	\$13.22	\$13.61
<b>H-38b</b>	\$13.82	\$13.93	\$14.04	\$14.22	\$14.43
<b>H-38c</b>	\$14.49	\$14.61	\$14.77	\$15.07	\$15.38
<b>H-38d</b>	\$15.03	\$15.17	\$15.36	\$15.74	\$16.07
<b>H-38e</b>	\$15.58	\$15.80	\$16.04	\$16.56	\$17.08
<b>H-39</b>	\$12.32	\$12.91	\$13.68	\$14.96	\$16.29
<b>H-39a</b>	\$16.32	\$16.91	\$17.58	\$18.83	\$20.07
<b>H-39b</b>	\$20.28	\$20.47	\$20.67	\$20.88	\$21.08
<b>H-40</b>	\$17.58	\$18.21	\$18.88	\$20.20	\$21.55
<b>H-41</b>	\$20.43	\$20.58	\$20.76	\$21.28	\$21.55
<b>H-42</b>	\$20.99	\$21.08	\$21.39	\$21.76	\$22.31
<b>H-43</b>	\$21.25	\$21.39	\$21.69	\$22.10	\$22.73
<b>H-44</b>	\$18.57	\$18.69	\$18.99	\$19.39	\$19.91
<b>H-45</b>	\$21.28	\$21.41	\$21.69	\$22.10	\$22.47
<b>H-46</b>	\$21.55	\$21.69	\$21.98	\$22.39	\$22.95
<b>H-47</b>	\$21.98	\$22.10	\$22.39	\$22.80	\$23.41
<b>H-48</b>	\$22.56	\$22.80	\$23.10	\$23.63	\$24.15
<b>H-49</b>	\$22.91	\$23.12	\$23.59	\$24.10	\$24.83
<b>H-50</b>	\$24.12	\$24.85	\$25.59	\$26.36	\$27.15

## **APPENDIX B**

Review of Promotional Procedures - The City agrees to review the existing allocation of classifications concerning the degree of difficulty, responsibility and experience for the operation of equipment. The Union recognizes the City is the sole authority for determination of upgrading of positions.



**APPENDIX C**

**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 that 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.

<b><u>Services and Supplies</u></b>	<b><u>Benefit During Any Period of 12 Consecutive Months</u></b>
1. Eye Examination (Complete, including refraction)	Reasonable and Customary Charges
2. Lenses: -Single Vision Lenses (two lenses) -Bifocal Lenses -Trifocal Lenses -Contact Lenses (Hard, Soft, Disposable) -Lenticular – (\$350 life time maximum for Lenticular Lenses)	Reasonable and Customary Charges
<b><u>Services and Supplies</u></b>	<b><u>Benefit During Any Period of 24 Consecutive Months</u></b>
1. Frames (one set)	Reasonable and Customary Charges

*"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.

**APPENDIX D**

**CITY OF SOUTHFIELD**

**AETNA DENTAL INSURANCE  
SUMMARY OF COVERED DENTAL EXPENSES  
(Effective January 1, 2001)**

**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.

<b>Type I Services</b> .....	Include routine exams, teeth cleaning and fluoride application, x-rays, space maintainers and palliative treatment.
<b>Benefit-Type I Services</b> ..... .....	<b>100% of Reasonable and Customary</b> Covered Dental Expenses for Type I Services.

<b>Type II Services</b> .....	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.
<b>Benefit-Type II Services</b> .....	<b>90% of Reasonable and Customary</b> Covered Dental Expenses for Type II Services

<b>Type III Services</b> .....	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 <b>\$2,000</b> .
<b>Benefit-Type III Services</b> ..... .....	<b>60% of Reasonable and Customary</b> Covered Dental Expenses for Type III Services

<b>Orthodontic Lifetime Maximum</b> ....	<b>\$2,000</b> for employee and each covered dependent.
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Register at Aetna Navigator to view Explanation of Benefits (EOB) of paid dental and vision claims on line at <http://www.aetnanavigator.com>

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

**(Effective January 1, 2001)**

**Exclusions** ..... 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 receive a card from AETNA for dental insurance benefits; therefore, this policy number and your 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.aetnnavigator.com>

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

## APPENDIX E

### ORDINANCE NO. 1491 (plus changes of Ordinance 1531 and 1534)

#### CHAPTER 9. EMPLOYEE RETIREMENT SYSTEM

##### **Sec. 1.311. Employee retirement system; effective date.**

The city employee retirement system, heretofore established pursuant to section 6.5(b)(2) of the Charter, is hereby continued. The effective date of the retirement system is July 1, 1965. Unless otherwise provided herein, all provisions relating to the Tax Reform Act of 1986 shall be effective July 1, 1989, all provisions related to the Uruguay Round Agreements Act, the Uniform Services Employment and Reemployment Rights Act of 1994, the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, the Internal Revenue Service Restructuring and Reform Act of 1998, and all provisions related to the Community Renewal Tax Relief Act of 2000 shall be effective January 1, 1997.

##### **Sec. 1.312. Short title.**

This chapter may be cited as the city employee retirement system ordinance.

##### **Sec. 1.313. Definitions.**

When used in this chapter, the following words and phrases shall have the following meanings, unless a different meaning is clearly indicated by the context:

- (1) *Accumulated contributions* shall mean the sum of (a) all amounts deducted from the compensation of a member, plus (b) all single-sum contributions made by the member and credited to his or her individual account, together with regular interest thereon.
- (2) *Actuarial equivalent* shall mean a benefit of equivalent value when computed on the actuarial assumption basis specified in section 1.343.
- (3) *Board* shall mean the employees retirement board as established in section 11.22 of the City Charter
- (4) *City* shall mean the City of Southfield, Michigan, and shall include its several departments, commission, boards and agencies.
- (5) *City council* or *council* shall mean the City Council of the City of Southfield, Michigan.

(6) *Commission* shall mean the administrative civil service commission of the city.

(7) *Compensation* shall mean the salary or wages paid an employee for personal services rendered to the employer including (a) vacation pay and holiday pay, (b) sick leave pay while absent from work, (c) longevity pay, (d) items of deferred compensation as provided by the city, and (e) items of a similar nature as provided by administrative rule and regulation. Compensation for purposes of retirement shall not include (a) remuneration for overtime services, (b) allowances for clothing, equipment, travel and similar items, (c) reimbursement for expenses incurred, (d) payment in consideration of unused sick leave accumulations, (e) salary, wages or other items which are the basis of benefits under another retirement program, excluding F.I.C.A., (f) items of a similar nature as provided by administrative rule and regulation, (g) for limitation years beginning after December 31, 1997, for purposes of applying the limitations of section 415 of the Internal Revenue Code, compensation paid or made available during such limitation years shall include any elective deferral (as defined in section 402(g)(3) of the Internal Revenue Code), and any amount which is contributed or deferred by the employer at the election of the employee and which is not includible in the gross income of the employee by reason of sections 125 or 457 of the Internal Revenue Code, and (h) for limitation years beginning on and after January 1, 2001, for purposes of applying the limitations described herein, compensation paid or made available during such limitation years shall include elective amounts that are not includible in the gross income of the member by reason of section 132(f)(4) of the Internal Revenue Code. For purposes of section 415 of the Internal Revenue Code, compensation shall mean compensation actually paid during the limitation year and the limitation year shall be the retirement system year or such other consecutive 12-month period over which compensation is otherwise determined under the retirement system. The annual compensation of each employee taken into account in determining benefit accruals in any retirement system year beginning after December 31, 2001, shall not exceed \$200,000. Annual compensation means compensation during the retirement system year or such other consecutive 12-month period over which compensation is otherwise determined under the system (the determination period). In determining benefit accruals in years beginning after December 31, 2001, the annual compensation limit for determination periods beginning before January 1, 2002 shall be \$150,000 for any determination period beginning in 1996 or earlier; \$160,000 for any determination period beginning in 1997, 1998, or 1999; and \$170,000 for any determination period beginning in 2000 or 2001. The \$200,000 limit on annual compensation shall be adjusted for cost-of-living increases in accordance with section 401(a)(17)(B) of the Internal Revenue Code. The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

(8) *Credited service* shall mean personal service rendered to the employer and credited to a member to the extent provided in this chapter (see section 1.316).

(9) *Eligible spouse* shall mean the spouse of a member by legal marriage at the time of the member's retirement.

(10) *Employee* shall mean any person regularly employed in the service of the employer as a career employee.

(11) *Employer* shall mean the city and/or the 46th District Court.

(12) *Final average compensation* shall mean one-sixtieth of the sum of a member's compensation during the period of sixty (60) consecutive months of credited service producing the highest sum, which period of sixty (60) consecutive months shall be within the period of one hundred twenty (120) consecutive months of credited service immediately preceding retirement or termination of membership, whichever comes first. Effective July 1, 1998, "final average compensation" shall mean one thirty-sixth of the sum of a member's compensation during the period of thirty-six (36) consecutive months of credited service producing the highest sum, which period of thirty-six (36) consecutive months shall be within the period of sixty (60) consecutive months of credited service immediately preceding retirement or termination of membership, whichever comes first.

(13) *Member* shall mean any employee who is included in the membership of the retirement system in accordance with the terms of this chapter.

(14) *Regular interest* shall mean five percent (5%) per annum, or such other rate or rates as determined from time to time by the council, compounded annually.

(15) *Retirement system* or *system* shall mean the city employee retirement system created and established by Ordinance 388, as from time to time amended and continued.

(16) *Standard form of (normal, early, deferred or disability) pension* shall mean a monthly amount payable as provided in this chapter, as of the first day of each calendar month in which the retired member is living.

(17) As used in this chapter, the masculine gender shall include the feminine and words of the singular number with respect to persons shall include the plural, and vice versa.

**Sec. 1.314. Membership in retirement system.**

(1) Subject to subsection (3) of this section, each eligible employee shall become a member of the retirement system beginning with his or her date of hire as an employee.

(2) Subject to subsection (3) of this section and effective on and after April 23, 1984, every employee of the 46th District Court (hereinafter "court"), who was first hired by the court prior to January 1, 1984, may make an irrevocable written election, within thirty (30) days following April 23, 1984, to become a member upon the commission's determination that he or she has completed at least six (6) full months of service with the court. Effective July 1, 1980, every judge of the court may, at his or her option, become a member and shall be entitled to receive benefits as provided in this chapter. Court employees who elect to become members pursuant to this subsection (2) shall receive credited service in the same manner as other members.

(3) The following persons shall not be eligible for membership in the retirement system:

(a) Any employee classified by the city as a non-career or seasonal employee;

(b) Any person whose services are compensated on an independent contractual or fee basis, with the exception of persons funded through the Federal Job Training Partnership Act of 1983, who elect to become members hereunder on or before December 30, 1983;

(c) Any employee of the police and fire departments subject to the provisions of Act 78 of Public Acts of 1935, as amended;

(d) The mayor and all members of the council during their terms of office;

(e) Any person who is included by law in any other pension or retirement system by reason of his or her compensation paid by the city, except the Federal Social Security Old-Age, Survivors' and Disability Insurance Program, or its successor.

(f) Any non-union employee hired on or after June 1, 2005;

(g) A person elected to the office of clerk or treasurer after June 1, 2005, unless the person was serving as clerk or treasurer or was a member of the system on June 1, 2005.

(4) Should any legal impediment which excludes a person from the retirement system be removed according to law, such person will be permitted to participate in the retirement system upon written request to the board for a redetermination of membership status. If the board shall determine that the impediment has been removed, the person may become a member of the system as of the date the



impediment was removed. Any person whose membership in the retirement system is established pursuant to this subsection shall be entitled only to those benefits which are in effect on or after the date the impediment was removed. This provision shall be effective as of April 23, 1984.

(5) Any eligible employee hired after attaining age fifty-five (55) not currently participating in the retirement system may become a member as of April 23, 1984, and receive credit for service on and after such date in accordance with section 1.316. In addition, such member may elect to receive credit for all or a portion of his or her service prior to April 23, 1984, provided:

(a) Such election is received in writing by the commission within thirty (30) days following April 23, 1984;

(b) Such member contributes to the system the full amount, as determined by the commission, of accumulated contributions the member would have paid had he or she been a member during such period of past service together with regular interest to the date of repayment; and

(c) In all cases, such contribution shall be completed within twenty-four (24) months following April 23, 1984.

(6) Any eligible employee not currently participating in the retirement system who has attained age sixty-five (65) may become a member as of April 23, 1984, and receive credit for service on and after such date in accordance with section 1.316. In addition, such member may elect to receive credit for all or a portion of his or her service prior to April 23, 1984, provided:

(a) Such election is received in writing by the commission within thirty (30) days following April 23, 1984;

(b) Such member contributes to the system the full amount, as determined by the commission, of accumulated contributions the member would have paid had he or she been a member during such period of past service together with regular interest to the date of repayment; and

(c) In all cases, such contribution shall be completed within twenty-four (24) months following April 23, 1984.

(7) Any employee or person who is aggrieved by a determination of his or her membership status may appeal such determination, in writing, to the board.

**Sec. 1.315. Termination of membership; restoration of credited service.**

Should any member who has less than ten (10) years of credited service cease to be employed in a position covered by the retirement system, for any reason except retirement, he or she shall thereupon cease to be a member and his or her credited service at that time shall be forfeited by him or her. In the event a member is reemployed in a position covered by the system, he or she shall again become a member. All credited service previously forfeited shall be restored upon the completion of thirty (30) months of continuous service following such reemployment, provided he or she returns to the system the amount, if any, of accumulated contributions withdrawn from the system, together with regular interest thereon, within that period of time, and as determined by the board. Any pension to which a reemployed member shall be entitled shall be computed according to the provisions of this chapter as this chapter was in force at the time the member last ceased to be employed prior to his or her current reemployment unless the member has completed thirty (30) months of continuous service following such reemployment, in which case any pension to which the member shall be entitled shall be computed according to the provisions of this chapter as this chapter was in force at the time such member last ceased to be employed prior to his or her retirement.

**Sec. 1.316. Service credit.**

The board shall fix and determine by appropriate rules and regulations the amount of service to be credited to any member, provided that:

- (1) Service rendered prior to April 28, 1958, shall not be recognized for any purposes of the retirement system.
- (2) Credit for service rendered on or after April 28, 1958, and prior to July 1, 1965, shall only be used for the purpose of determining the member's eligibility to retire pursuant to sections 1.319, 1.320 or 1.321 and not for the purpose of computing the amount of his or her benefits.

**Sec. 1.317. Military service credit.**

If an employee who, while employed by the employer, was called to or entered any armed service of the United States, and who has been or shall be on active duty in such armed service during time of war or period of compulsory military service, such armed service actually required of him or her shall be credited to him or her in the same manner as if he or she had served the employer without interruption, provided that:

- (1) He or she reenters the employ of the employer, in a position covered by the retirement system, within ninety (90) days from and after termination of such armed service actually required of him or her; and

(2) In no case shall any member be credited with more than five (5) years of service for all such armed service rendered by him or her. In any case of doubt as to the period to be so credited any member, the board shall have the final power to determine such period. During the period of such armed service and until his or her return to the employ of the employer in a position covered by the system, his or her contributions to the system shall be suspended and his or her accumulated contributions shall continue to be credited with regular interest.

Notwithstanding any provision of the retirement system to the contrary, contributions, benefits and service credited with respect to qualified military service will be provided in accordance with section 414(u) of the Internal Revenue Code.

**Sec. 1.318. Duty disability service credit.**

(1) In the event a member, while employed by the employer, becomes incapacitated for duty as a result of a personal injury or disease arising out of and in the course of an actual performance of duty in the employ of the employer, and workers' compensation is paid on account of the member's incapacity arising out of and in the course of employment with the employer, the member shall have such period of incapacity credited to him or her as credited service in the same manner as if the member had served the employer without interruption, provided that the member:

(a) Reenters the employ of the city in a position covered by the retirement system within ninety (90) days from and after termination of such incapacity; and

(b) Repays to the retirement system all amounts of accumulated contributions the member withdrew therefrom at the time he or she became or during the period he or she was incapacitated, together with regular interest from the date of withdrawal to the date of repayment; and

(2) In case of doubts as to the period to be so credited any member, the board shall have the final power to determine such period. During the period of such incapacity and until his or her return to the employ of the city in a position covered by the system, his or her contributions to the system shall be suspended, and his or her accumulated contributions shall continue to be credited with regular interest.

**Sec. 1.319. Normal retirement.**

(1) Any member who has attained age sixty-five (65) years and has five (5) or more years of credited service may retire upon written application filed with the board, on a form furnished by the board. Such application shall specify the member's date of normal

retirement. Upon such application for retirement, the member shall be retired as of the date set forth in the application, and the member shall be entitled to a pension as provided in section 1.322.

(2) In accordance with section 401(a)(9) of the Internal Revenue Code and the regulations thereunder, which are incorporated herein by reference, a member's retirement benefit shall be distributed to him or her not later than April 1 of the calendar year following the later of:

(1) The calendar year in which the member attains age seventy and one-half (70 1/2) years, or

(2) The calendar year in which the member retires.

(3) Distributions from the retirement system will comply with the requirements of Internal Revenue Code section 401(a)(9) and the regulations thereunder, including requirements regarding the beginning date for distributions and the period over which a member's interest in the retirement system will be distributed.

A member's interest in the trust must begin to be distributed by the later of (i) April 1 of the calendar year following the calendar year that the member attains the age of 70½, or (ii) April 1 of the calendar year the member retires. With respect to distributions under the Plan made for calendar years beginning on or after January 1, 2001, the Plan will apply the minimum distribution requirements of IRC § 401(a)(9) in accordance with the regulations under IRC § 401(a)(9) that were proposed in January 2001, notwithstanding any provision in the Plan to the contrary. This amendment shall continue in effect until the end of the last calendar year beginning before the effective date of final regulations under § IRC 401(a)(9) or such other date as may be specified in guidance published by the Internal Revenue Service.

(a) Effective date. The provisions of this subsection will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.

(b) Precedence. The requirements of this subsection will take precedence over any inconsistent provisions of the Plan.

(c) Requirements of Treasury Regulations Incorporated. All distributions required under this subsection shall be determined and made in accordance with the Treasury regulations under section 401(a)(9) of the Internal Revenue Code.

(d) TEFRA Section 242(b)(2) Elections. Notwithstanding the other provisions of this subsection, other than paragraph (c), distributions may be made under a designation made on or before January 1, 1984 in accordance with section 242(b)(2) of the Tax Equity and Fiscal

Responsibility Act (TEFRA) and the provisions of the Plan that relate to section 242(b)(2) of TEFRA.

#### TIME AND MANNER OF DISTRIBUTION

- (e) Required Beginning Date. The member's entire interest will be distributed, or begin to be distributed, to the member no later than the member's required beginning date.
- (f) Death of Member Before Distributions Begin. If the member dies before distributions begin, the member's entire interest will be distributed, or begin to be distributed, no later than as follows:
  - (i) If the member's surviving spouse is the member's sole designated beneficiary, then, except as provided in the Plan, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the member died, or by December 31 of the calendar year in which the member would have attained age 70½, if later.
  - (ii) If the member's surviving spouse is not the member's sole designated beneficiary, then, except as provided in the Plan, distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the member died.
  - (iii) If there is no designated beneficiary as of September 30 of the year following the year of the member's death, the member's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the member's death.
  - (iv) If the member's surviving spouse is the member's sole designated beneficiary and the surviving spouse dies after the member but before distributions to the surviving spouse begin, this paragraph (f) will apply, other than paragraph (f)(i), as if the surviving spouse were the member.

For purposes of paragraph (f) and paragraphs (k), (l) and (m), distributions are considered to begin on the member's required beginning date (or, if paragraph (f)(iv) applies, the date distributions are required to begin to the surviving spouse under paragraph (f)(i)). If annuity payments irrevocably commence to the member before the member's required beginning date (or to the member's surviving spouse before the date distributions are required to begin to the surviving spouse under paragraph (f)(i)), the date distributions are considered to begin is the date distributions actually commence.

- (g) **Form of Distribution.** Unless the member's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with paragraphs (h) through (m) of this subsection. If the member's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of section 401(a)(9) of the IRC and the Treasury regulations. Any part of the member's interest which is in the form of an individual account described in section 414(k) of the IRC will be distributed in a manner satisfying the requirements of section 401(a)(9) of the IRC and the Treasury regulations that apply to individual accounts.

#### DETERMINATION OF AMOUNT TO BE DISTRIBUTED EACH YEAR.

- (h) **General Annuity Requirements.** If the member's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:
  - (i) The annuity distributions will be paid in periodic payments made at intervals not longer than one year;
  - (ii) The distribution period will be over a life (or lives) or over a period certain not longer than the period described in paragraphs (k) through (m);
  - (iii) Once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted.
- (i) **Amount Required to Be Distributed by Required Beginning Date.** The amount that must be distributed on or before the member's required beginning date or, if the member dies before distributions begin, the date distributions are required to begin under paragraphs (f)(i) or (ii) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the member's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the member's required beginning date.

- (j) Additional Accruals after First Distribution Calendar Year. Any additional benefits accruing to the member in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

**REQUIREMENTS FOR MINIMUM DISTRIBUTIONS WHERE MEMBER DIES BEFORE DATE DISTRIBUTIONS BEGIN.**

- (k) Member Survived by Designated Beneficiary. Except as provided in the adoption agreement, if the member dies before the date distribution of his or her interest begins and there is a designated beneficiary, the member's entire interest will be distributed, beginning no later than the time described in paragraphs (f)(i) or (ii), over the life of the designated beneficiary or over a period certain not exceeding:

- (i) unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the member's death; or

- (ii) if the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.

- (l) No Designated Beneficiary. If the member dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the member's death, distribution of the member's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the member's death.

- (m) Death of Surviving Spouse Before Distributions to Surviving Spouse Begin. If the member dies before the date distribution of his or her interest begins, and the member's surviving spouse is the member's sole designated beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this subsection will apply as if the surviving spouse were the member, except that the time by which distributions must begin will be determined without regard to paragraph (f)(i).

**DEFINITIONS.**

- (n) Designated Beneficiary. The individual who is designated as the beneficiary under the Plan and is the designated beneficiary under section 401(a)(9) of the code and section 1.401(a)(9)-1, Q&A-4, of the Treasury regulations.
- (o) Distribution Calendar Year. A calendar year for which a minimum distribution is required. For distributions beginning before the member's death, the first distribution calendar year is the calendar year immediately preceding the calendar year, which contains the member's required beginning date. For distributions beginning after the member's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to paragraph (f).
- (p) Life Expectancy. Life expectancy as computed by use of the single life table in section 1.401(a)(9)-9 of the Treasury regulations.
- (q) Required Beginning Date. The date specified in this subsection.

**Sec. 1.320. Early retirement.**

Any member who has attained age fifty-seven (57) and has twenty (20) or more years of credited service, or any other member who has attained age sixty (60) and has ten (10) or more years of credited service, or effective January 1, 2003, any non-union member whose age plus credited service, including fractional years thereof, equals eighty-two (82) may retire upon written application filed with the board, on a form furnished by the board. Such application shall specify the member's date of early retirement, which may be any day prior to the member's sixty-fifth birthday. Upon such early retirement, the member shall be entitled to a pension as provided in section 1.322.

**Sec. 1.321. Vested deferred pension.**

(1) Should any member who has ten (10) or more years of credited service cease to be employed in a position covered by the retirement system for any reason except his or her retirement, such member shall be entitled to a vested deferred pension, payable at age sixty-five (65), based on his or her final average compensation and credited service as of the date of termination and computed according to the provisions of section 1.322 as the section was in force at the time of such member's separation from covered employment, provided that the member does not withdraw his or her



accumulated contributions from the retirement system. Any member entitled to a vested deferred pension in accordance with this section may elect to have his or her monthly pension begin on the later of:

- (a) His or her sixtieth (60th) birthday; and
- (b) The date a written application therefore is filed with the city.

Any vested deferred pension which, pursuant to a member's election, begins prior to the first day of the calendar month following the member's sixty-fifth (65th) birthday, shall be reduced in accordance with the first sentence of section 1.322(3).

(2) Any member who has twenty (20) or more years of credited service and ceases to be employed in a position covered by the retirement system for any reason other than his or her retirement shall be entitled to a vested deferred pension beginning on his or her sixty-second birthday; any member who has twenty-five (25) or more years of credited service and ceases to be employed in a position covered by the retirement system for any reason other than his or her retirement shall be entitled to a vested deferred pension beginning the first day of the calendar month next following his or her fifty-seventh birthday. Effective January 1, 2003, any non-union member who has ten (10) or more years of credited service and ceases to be employed in a position covered by the retirement system for any reason other than his or her retirement shall be entitled to a vested deferred pension beginning on the date on which the sum of his or her age and credited service, including fractional years thereof, equals eighty-two (82). Such pension, which shall not be reduced under section 1.322(3), shall be based on the member's final average compensation and credited service as of the date of the termination of his or her employment and computed according to the provisions of section 1.322(2) as the section was in force at the time of such member's separation from covered employment, provided that the member does not withdraw his or her accumulated contributions from the retirement system.

**Sec. 1.322. Standard form of pension; amount.**

(1) The standard form of pension, whether for normal, early, deferred or disability retirement, shall consist of an amount payable as of the first day of each calendar month in which the retired member is living; provided, however, that should the retired member die before he or she has received in pension payments an aggregate amount equal to his or her accumulated contributions standing to his or her credit at the time of retirement, the difference between his or her accumulated contributions and the aggregate amount of pension payments received by him or her shall be paid to such person or persons as he or she shall have nominated by written designation duly

executed and filed with the city. If there be no such designated person or person surviving the retired member, such difference shall be paid to his or her estate. In the event that the retired member was a member who retired on or after July 1, 1998, or had elected an optional form of pension, as provided in section 1.323(2), then such option shall be honored, and the return of such accumulated contributions, less aggregate amount of pension payments received, shall not be applicable.

(2) Upon a member's retirement, he or she shall receive a standard form pension equal to two percent (2%) of his or her final average compensation multiplied by his or her credited service (in years and fractional years). Effective July 1, 1998, upon a member's retirement, he or she shall receive a standard form of pension equal to two and one quarter percent (2.25%) of his or her final average compensation multiplied by his or her credited service (in years and fractional years), which shall be paid for life with the provision that if the retired member's death occurs before one hundred twenty (120) monthly payments have been made, such remaining standard form of pension shall be commuted to a single sum and paid to such person or persons and in such shares as the retired member shall have nominated by written designation duly executed and filed with the city, or if there be no such designated person or persons surviving the retired member, to the estate of the last survivor among the retired member and the designated person or persons. Effective January 1, 2003, upon a nonunion member's retirement, he or she shall receive a standard form of pension equal to two and one half percent (2.50%) of his or her final average compensation multiplied by his or her credited service (in years and fractional years), which shall be paid for life with the provision that if the retired member's death occurs before one hundred twenty (120) monthly payments have been made, such remaining standard form of pension shall be commuted to a single sum and paid to such person or persons and in such shares as the retired member shall have nominated by written designation duly executed and filed with the city, or if there be no such designated person or persons surviving the retired member, to the estate of the last survivor among the retired member and the designated person or persons. The standard form pension shall be subject to subsection (3) of this section, and the member shall have the right to receive his or her pension under an option as provided in section 1.323 in lieu of a standard form of pension.

(3) If any member retires prior to reaching age sixty-five (65), as provided in section 1.320, his or her pension calculated in accordance with subsection (2) above shall be reduced one-half of one percent (0.5%) multiplied by the number of complete calendar months the date he or she elects his or her pension to begin precedes the first day of the month coincident with or immediately following the date he or she would reach age sixty-five (65); provided, however, that if a member retires on or after reaching age sixty-two (62) with twenty (20) or more years credited service, or if a member retires on or after reaching age fifty-seven (57) with twenty-five (25) or more years credited service, or, effective January 1, 2003, if a non-union member retires on or after the date

the sum of his or her age and credited service, including fractional years thereof, equals eighty-two (82), his or her pension provided in subsection (2) of this section shall not be reduced. If a member retires on or after reaching age fifty-seven (57) with twenty (20) or more years credited service, as provided in section 1.320, his or her pension provided in subsection (2) of this section shall be reduced by one-half of one percent (0.5%) multiplied by the number of complete calendar months the date he or she elects his or her pension to begin precedes the date he or she would reach age sixty-two (62); provided, however, that, effective January 1, 2003, if a non-union member retires on or after the date the sum of his or her age and credited service, including fractional years thereof, equals eighty-two (82), his or her pension provided in subsection (2) of this section shall not be reduced.

(4) The de facto operation of the Retirement System, since July 1, 1998, consisted of a defined benefit plan (commonly referred to as a pension plan) and a defined contribution plan (commonly referred to as an annuity plan) which have been treated by the City as two separate qualified plans under the provisions of the Internal Revenue Code. The Board will continue the two plans within the Retirement System and take action which may be required by Internal Revenue Service rules and regulations and the tax laws to maintain the qualified status of the plans under Section 401(a) or any other applicable section of the Internal Revenue Code. The defined contribution plan and the defined benefit plan together will provide the total retirement benefit payable from the Retirement System in accordance with the Retirement System Ordinance.

**Sec. 1.323. Pension options; survivor pension.**

(1) Under such rules and regulations as the board shall adopt, a member may elect to receive an optional form of pension in lieu of his or her standard form of pension. The amount of such optional form of pension shall be determined in accordance with subsection (2) of this section.

(2) The board shall make available the following optional forms of pension in lieu of the standard form of pension:

(a) *Option A, joint and one hundred (100) percent survivor pension.* A member who elects option A shall receive a reduced monthly pension payable during his or her lifetime, with the further provision that such reduced monthly pension shall be payable following the death of the member during the remaining lifetime, if any, of the member's eligible spouse. The monthly amount of the option A pension shall be the actuarial equivalent of the standard form of pension to which the member would otherwise be entitled.

(b) *Option B, joint and 50% survivor pension.* A member who elects option B shall receive a reduced monthly pension payable during his or her lifetime, with the further provision that fifty percent (50%) of such reduced monthly pension shall be payable following the death of the member during the remaining lifetime, if any, of the member's eligible spouse. The reduced pension payable during the lifetime of the member under this option B shall be the actuarial equivalent of the standard form of pension otherwise payable to the member. Effective July 1, 1998, the pension payable during the lifetime of the member under this option B shall be equal to two and one quarter percent (2.25%) of his or her final average compensation multiplied by his or her credited service (in years and fractional years), with the further provision that fifty percent (50%) of such monthly pension shall be payable following the death of the member during the remaining lifetime, if any, of the member's eligible spouse. Effective January 1, 2003, for a nonunion member, the pension payable during the lifetime of the member under this option B shall be equal to two and one half percent (2.50%) of his or her final average compensation multiplied by his or her credited service (in years and fractional years), with the further provision that fifty percent (50%) of such monthly pension shall be payable following the death of the member during the remaining lifetime, if any, of the member's eligible spouse.

(3) Upon the death of any member while an active employee on or after the date he or she acquires ten (10) or more years of credited service his or her eligible spouse shall automatically become eligible to receive a pension computed according to section 1.322(2), which shall not be reduced under section 1.322(3), in the same manner as if the member had retired the day preceding the date of his or her death, notwithstanding that he or she might not have satisfied the age and service requirements for retirement as provided in section 1.319. Effective July 1, 1998, for a nonunion member without an eligible spouse, such pension shall be for one hundred twenty (120) months commuted to a single sum and paid to such person or persons and in such shares as the member shall have nominated by written designation duly executed and filed with the city, or if there be no such designated person or persons surviving the member, to the estate of the last survivor among the member and the designated person or persons.

**Sec. 1.324. Nonduty disability defined; nonduty disability pension; amount.**

(1) Upon application to the board by a member or his or her department head, such member with ten (10) or more years of credited service who becomes totally and permanently disabled for duty in the employ of the employer as a result of causes occurring not in his or her actual performance of duty may be retired; provided, that a physician selected by the board, after medical examination of the member, certifies to

the board that the member is mentally or physically totally disabled for duty in the employ of the employer, and that such disability will probably be permanent. Under provisions of this section the employer may, upon proper certification by a physician selected by the board, elect to place the member in another classification wherein the member shall be subject to the conditions in effect governing that classification.

(2) Upon his or her retirement on account of disability, as provided in section 1.324(1) a member shall receive a pension computed according to section 1.322(2), which shall not be reduced under section 1.322(3), subject to subsection (3) of this section. Prior to the date of his or her retirement, the member may elect to receive his or her pension under an option provided in section 1.323 in lieu of the standard form of pension.

(3) Any benefit which may be paid or payable on account of the disability of a member under any employer-financed salary continuation plan, sickness and accident insurance, long-term disability plan, workers' compensation or other similar program, except benefits under the Federal Social Security Old-Age, Survivors' and Disability Insurance Program or its successor, shall be offset against and payable in lieu of any pensions payable from the retirement system on account of the same disability.

**Sec. 1.325. Duty-connected disability; retirement benefits; amount; lump-sum settlement; eligibility; records.**

(1) In the event a member becomes totally and permanently disabled for duty in the employ of the employer as a result of causes directly related to his or her actual performance of duty while an employee, such member may be retired by the city; provided, that a physician selected by the board, after examination of the member, certifies to the board that the member is mentally or physically totally disabled for duty and that such disability will probably be permanent. Under provisions of this section, the employer may, upon proper certification by a physician selected by the board, elect to place the member in another classification wherein the member shall be subject to the conditions in effect governing that classification.

(2) In the event that a member is certified as totally and permanently disabled in accordance with subsection (1) of this section as a result of a duty-connected injury and, further, that the employer does not exercise its option or is unable to place the member in another classification due to the nature of the disability, then the member shall be entitled to full retirement benefits as if he or she would have actively in the employ of the employer until age sixty (60); provided, that at the time of total and permanent disability eligibility the member had not previously attained age sixty (60).

(3) The monthly equivalent of any benefits, including lump sum settlements, which may be paid or payable on account of a duty-connected disability to any member under any salary continuation plan, sickness and accident insurance, long-term disability plan, workers' compensation or other similar program, except benefits under the Federal Social Security Old-Age, Survivors' and Disability Insurance Program or its successor, which benefits are financed in whole or in part by the employer, shall be offset against any payable in lieu of any pensions payable under the retirement system on account of the same disability.

(4) If a disability retiree becomes engaged in a gainful occupation, business or employment, his or her disability pension shall not exceed the difference between his or her annual rate of compensation at the time of his or her retirement and his or her annual pay and earnings from such occupation, business or employment. The disability retiree shall make all income and/or earnings records available to the board upon request for verification of eligibility. The board may, upon failure to so comply or falsification, terminate retirement payments.

**Sec. 1.326. Disability retirement; physical examination.**

The board may require any member who is retired according to the provisions of section 1.324 or section 1.325 to submit to an examination conducted by a physician selected by the board, which examination may be required not more than once annually. If it appears to the satisfaction of the board that the member's disability has been removed, the member may be required to return to work. Should the member refuse to return to work or to submit to the aforesaid physical examination, the disability pension payments shall cease. Any member who is aggrieved by the application of the provision of this section shall have a right of appeal by application therefore, in writing, to the board.

**Sec. 1.327. Benefit levels; effective date.**

(1) The benefit levels as provided in this chapter, including disability benefits, shall be effective only for members retiring on or after thirty (30) days following April 23, 1984.

(2) All retired members and beneficiaries of retired members being paid a monthly pension on July 1, 1998 shall have their pensions permanently increased. Beginning January 1, 1999, each such retired member and beneficiary shall be paid a monthly

pension increased by the percentage change in the annual average consumer price index from the calendar year a monthly pension first became payable to the retired member or beneficiary, as the case may be, to 1998. As used in this subsection, the term "consumer price index" means the U.S. Department of Labor Bureau of Labor Statistics consumer price index for all urban consumers (CPI-U), U.S. City Average, all items, 1982-84=100. Optional forms of pensions shall be based on retired members' increased pensions.

(3) All retired members and beneficiaries of retired members being paid a monthly pension on December 31, 2002 shall receive an additional pension payment of fifty dollars (\$50.00) per month, effective January 1, 2003. This payment shall be made until such time as the payment is modified or terminated at the sole discretion of the council.

(4) Forfeitures shall not be applied to increase the benefits which any employee or member would otherwise receive under the retirement system.

(5) Notwithstanding any provision of the retirement system to the contrary, benefits and contributions shall be limited in accordance with section 415 of the Internal Revenue Code, which is hereby incorporated by reference.

**Sec. 1.328. Members' contributions.**

(1) Each active member shall contribute an amount to the retirement system as required by the city council, the commission, and applicable collective bargaining agreements.

(2) The officer or officers responsible for making up the payroll shall cause the contributions provided for in this section to be deducted from the compensation of each member on each and every payroll, for each and every payroll period, so long as he or she is a member of the system. The member's contributions provided for in this section shall be made notwithstanding that the minimum compensation provided by law for any member is thereby changed. Each member shall be deemed to consent and agree to the deductions made and provided for in this section. Payment of the member's compensation less such deduction shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by the member during the period covered by such payment, except as to the benefits provided by this chapter. When deducted, each of the contribution shall be paid to the retirement system and shall be credited to the member's individual account from whose compensation such deduction was made.

**Sec. 1.329. Regular interest.**

The city shall allow and credit regular interest to the members' contributions to the retirement system.

**Sec. 1.330. Refund of member's contribution.**

Should an employee cease to be a member before he or she has satisfied the age and service requirements for retirement provided in section 1.319, and is not otherwise entitled to apply for a pension, he or she shall be paid his or her accumulated contributions standing to his or her credit in the retirement system upon his or her demand in writing on forms furnished by the board. Effective July 1, 1998, upon the commencement of a member's monthly pension pursuant to section 1.319, 1.320, 1.321, 1.324 or 1.325, or upon the commencement of the monthly pension of a member's eligible spouse or nominated beneficiary pursuant to section 1.323(3), he or she shall be paid the member's accumulated contributions standing to the member's credit in the retirement system.

**Sec. 1.331. Death before retirement.**

Should a member die before his or her retirement becomes effective and no pension is or becomes payable on account of his or her death, his or her accumulated contributions standing to his or her credit in the retirement system at the time of his or her death shall be paid to such person or persons as he or she shall have nominated by written designation duly executed and filed with the board. If there be no such designated person or person surviving such member, his or her accumulated contributions shall be paid to his or her estate.

**Sec. 1.332. Rules for refunds.**

(1) Payments of accumulated contributions, as provided in sections 1.330 and 1.331, may be made according to such rules and regulations as the board shall from time to time adopt.



(2) This subsection applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Retirement System to the contrary that would otherwise limit a distributee's election under this section, a distributee may elect, at the time and in the manner prescribed by the board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(a) Definitions.

(i) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Internal Revenue Code; and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

(ii) Eligible Retirement Plan: An eligible retirement plan is an individual retirement account described in section 408(a) of the Internal Revenue Code, an individual retirement annuity described in section 408(b) of the Internal Revenue Code, an annuity plan described in section 403(a) of the Internal Revenue Code, or a qualified trust described in section 401(a) of the Internal Revenue Code, that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

(iii) Distributee: A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Internal Revenue Code, or an eligible domestic relations order under Act 46 of the Public Acts of 1991, as amended, are distributees with regard to the interest of the spouse or former spouse.

(iv) Direct rollover: A direct rollover is a payment by the retirement system to the eligible retirement plan specified by the distributee.

(b) If a distribution is one to which sections 401(a)(11) and 417 of the Internal Revenue Code do not apply, such distribution may commence less than 30 days after the notice required under section 1.411(a)-11(c) of the Income Tax Regulations is given, provided that:

(i) The board clearly informs the member that the member has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and

(ii) The member, after receiving the notice, affirmatively elects a distribution.

(3) This subsection shall apply to distributions made after December 31, 2001.

(a) For purposes of the direct rollover provisions in this section, an eligible retirement plan shall also mean an annuity contract described in section 403(b) of the Internal Revenue Code and an eligible plan under section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to account separately for amounts transferred into such plan from the Retirement System. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Internal Revenue Code, or an eligible domestic relations order under Act 46 of the Public Acts of 1991, as amended.

(b) For purposes of the direct rollover provisions in this section, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be paid only to an individual retirement account or annuity described in section 408(a) or (b) of the Internal Revenue Code, or to a qualified defined contribution plan described in section 401(a) or 403(a) of the Internal Revenue Code that agrees to account separately for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

**Sec. 1.333. Title to contributions.**

A member shall have no right, title or interest in the contributions made by him or her except as is specifically provided in this chapter.

## **EMPLOYER CONTRIBUTIONS AND FINANCING**

### **Sec. 1.334. Employer contributions.**

The liabilities of the retirement system shall be determined annually under accepted actuarial principles and shall be financed by annual employer contributions to the retirement system appropriated by the city council, such contributions to be determined in accordance with the provisions of subsections (1) and (2) set forth below:

(1) The appropriations for members' current service shall be a percentage of their annual compensation which will produce an amount which, if paid annually by the employer during their future service, will be sufficient at the time of their retirement to provide the pension reserves not financed by members' future contributions for the portions of the pensions to be paid them based upon their future service; and

(2) The appropriations for members' and retired members' accrued service shall be a percentage of the annual compensation of members which will produce an amount which, if paid annually by the employer over a period of years to be determined by the city council, will amortize, at regular interest, the unfunded accrued service liabilities.

Upon termination of the retirement system or upon complete discontinuance of contributions under the retirement system, the rights of all members to benefits accrued to the date of such termination or discontinuance, to the extent then funded, shall be nonforfeitable.

### **Sec. 1.335. Deficiency in funds.**

If the amount appropriated in the budget in any fiscal year, together with retirement system assets not needed to cover members' accumulated contributions, is insufficient to pay in full the amounts due in such year to all retired members and their beneficiaries, the amount of such insufficiency shall thereupon be provided by the employer.

**Sec. 1.336. Trustee.**

The city council shall be the trustee of the assets of the retirement system. It shall have full power and authority to invest and reinvest such assets, subject to the provisions of Act 314 of the Public Acts of 1965, as amended, and as it might from time to time be amended or replaced by successor acts. The city council shall have full power to hold, sell, purchase, assign, transfer and dispose of any securities and investments in which any monies of the system have been invested as well as the proceeds of the investment and any monies belonging to the system.

**Sec. 1.337. Administration of retirement system.**

- (1) In accordance with section 11.22 of the Charter, the responsibility for the administration of the retirement system is vested with the board. The board shall have all such powers as may be necessary to carry out the provisions of this section. The board may, from time to time, establish rules and regulations for the administration of the retirement system and the transaction of system business. In making any such rules and regulations, the board shall pursue uniform policies and shall not discriminate in favor of or against any employee or group of employees. Such provision against discrimination is not intended to apply to differentials between groups of employees based upon negotiated and council-approved labor contracts. The board may, upon recommendation of the city administrator, create an advisory board consisting of members of the system. Such advisory board shall have no authority other than to advise the board.
- (2) The retirement system is intended to qualify as a pension plan and trust meeting the requirements of sections 401(a) and 501(a) of the Internal Revenue Code, as now in effect or hereafter amended, and shall be administered so as to fulfill this intent. The board may amend the retirement system plan provisions by resolution to comply with the internal revenue code and related authority in order to maintain the qualified status of the plan.
- (3) The regular terms of office of the board shall be as follows:
  - (a) The terms of the three (3) members of the commission shall coincide with and be identical to said commissioners' terms of office.
  - (b) The term of the member appointed by the Mayor shall be four (4) years.

The initial term of office for said member shall expire on March 31, 2007

- (c) The term for the elected active members of the retirement system shall be four (4) years. The initial term of office for the one (1) elected active member obtaining the largest number of votes shall expire on March 31, 2007. The initial term of office for the one (1) elected active member receiving the second largest number of votes shall expire on March 31, 2005.
  - (d) The term for the elected retired employee member of the retirement system shall be for two (2) years. The initial term of office for the retired employee member shall expire on March 31, 2005.
- (4) Each member of the board shall serve until the expiration of his or her term of office or until his or her death, incapacity, resignation, or removal. Removal from the board shall occur as follows:
- (a) The members of the commission may be removed as provided in section 6.5(a) of the Charter.
  - (b) The member appointed by the Mayor may be removed as provided in section 5.2 of the Charter.
  - (c) An elected active member of the retirement system shall be removed if he or she ceases to be an active member.
  - (e) Vacancies in the elected positions on the board shall be filled within 120 days, for the unexpired term, in the same manner as the position was previously filled.

**Sec. 1.338. Restricted use of funds.**

All monies and assets of the retirement system shall be held for the exclusive purpose of meeting the disbursements for pensions and other payments authorized by this chapter and shall be used for no other purpose whatsoever.

**Sec. 1.339. Correction of errors.**

Should any change or error in the records of the employer or the board result in any person receiving from the system more or less than he or she would have been entitled to receive had the records been correct, the board shall correct such error and, as far as is practicable, shall adjust the payment of the benefit in such manner that the actuarial equivalent of the benefit to which such person was correctly entitled is paid.

**Sec. 1.340. Subrogation.**

If a person becomes entitled to a pension or other benefit payable by the retirement system as the result of an accident or injury caused by the act of a third party, the city shall be subrogated to the rights of the person against such third party to the extent of the benefits to which the city pays or becomes liable to pay.

**Sec. 1.341. Assignments prohibited.**

The right of a person to a pension, to the return of accumulated contributions, the pension itself, any pension option, any other right accrued or accruing to any member, retired member or beneficiary of any monies belonging to the retirement system, shall not be subject to execution, garnishment, attachment or any other process of law whatsoever and shall be unassignable, except as is specifically provided in this chapter; provided, that if a member is covered by a group insurance or prepayment plan participated in by the employer and should such member be permitted and elect to continue such coverage as a retired member, he or she may authorize the employer to have deducted from his or her pension the payments required of him or her to continue coverage under such group insurance or prepayment plan; provided further, that the employer shall have the right to set off for any claim arising from embezzlement by or fraud of a member, retired member, or beneficiary of a member or retired member.

**Sec. 1.342. Pension suspended.**

In the event a retired member is reemployed by the employer in a position covered by the retirement system, payment of his or her pension shall be suspended during the period of his or her reemployment. During the period of his or her reemployment by the employer, a retired member shall not again become a member of the retirement system.

**Sec. 1.343. Actuarial assumptions.**

Effective July 1, 1984, the 1971 group annuity mortality table (set back five (5) years for females) with an interest rate of seven percent (7%) per year, compounded annually, shall be used for all actuarial valuations and other calculations required in the operation of the system except those specifically provided to the contrary in this chapter. For purposes of determining actuarial equivalent optional forms of payment under section 1.323, unisex factors assuming ninety percent (90%) of all members are male shall be used. For purposes of adjusting any benefit or limitation under section 415 of the Internal Revenue Code, the mortality table used shall be the table prescribed by the United States Secretary of the Treasury in accordance with section 415(b)(2)(E)(v) of the Internal Revenue Code. The board may, from time to time, and upon written recommendation of the actuary, adjust and otherwise change the actuarial assumptions in order to reflect retirement system experience and trends.

**Sec. 1.344. Validity.**

If any provision, section, subsection, paragraph, sentence, clause, phrase or word contained in this chapter is for any reason held to be unconstitutional or invalid by any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions, sections, subsections, paragraphs, sentences, clauses, phrases and words of this chapter, or the chapter in its entirety.

BRENDA L. LAWRENCE, Mayor

NANCY L. M. BANKS, City Clerk

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