

AGREEMENT

ENTERED INTO BETWEEN THE

CITY OF ROYAL OAK

AND

PROFESSIONAL & TECHNICAL

EMPLOYEES

ASSOCIATION

2006/2010

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AGREEMENT

THIS AGREEMENT, entered into this 17th day of December 2009, between the CITY OF ROYAL OAK, MICHIGAN, (hereinafter the EMPLOYER), and the PROFESSIONAL & TECHNICAL EMPLOYEES ASSOCIATION, (hereinafter the ASSOCIATION).

1.0 - PURPOSE AND INTENT

1.1 The General purpose of this Agreement is to set forth provisions and conditions of employment and to promote orderly and peaceful labor relations for the mutual interest of the Employer, the Employees and the Association.

1.2 The parties recognize that the interest of the community and the job security of the employees depend upon the Employer's success in establishing a proper service to the community.

1.3 To these ends, the Employer and the Association encourage to the fullest degree, friendly and cooperative relations between the respective representatives at all levels and among all employees.

2.0 - COLLECTIVE BARGAINING DEFINED

2.1 To bargain collectively in the performance of the mutual obligation of the City through its designated representative(s) and the representative(s) of the Association to meet at reasonable times and confer in good faith in respect to wages, hours and other conditions of employment (including, but not limited to: grievance procedures, holiday and vacation pay, sick leave, jury duty, pensions, insurance coverage of various kinds, seniority and layoff) and the execution of the written agreement incorporating the results of such bargaining.

3.0 - RIGHT TO ORGANIZE

3.1 Pursuant to and in accordance with all applicable provisions of Act 336, Public Acts of 1947, and as last amended by Act 379, Public act of 1955, the State of Michigan, employees of the City of Royal Oak have the right of self-organization to join an Association and to bargain collectively through representatives of their own choosing on questions of wages, hours and other conditions of employment.

4.0 - PROHIBITED PRACTICES

4.1 No employee shall be favored or discriminated against either by the Employer or the Association because he maintains or terminates membership in the Association.

4.2 The Employer and the Association and their agents are prohibited from restraining or coercing employees in the exercise of their right to joint or not join the Association, to maintain or to terminate membership in the Association, or to individually present a grievance.

4.3 The Employer will not aid, promote, or finance any other labor group or organization which proposes to engage in collective bargaining or make any agreement with any such group

or organization for the purpose of undermining the Association during the term of this Agreement.

4.4 It is understood that the services performed by City employees are essential to the public health, safety and welfare of the community. The Association, therefore, agrees that during the term of the Agreement, the Association will not engage in a strike, work stoppage, slow down, or other interference with the Employer's operations. Likewise, the Employer agrees that during the term of this Agreement, there shall be no lockouts of the employees. In the event of a strike, work stoppage or slowdown, the Association will cooperate with the Employer in notifying its members to cease and desist from such conduct.

5.0 - MANAGEMENT RIGHTS

5.1 It is recognized that the management of the City, the control of its properties, and the maintenance of order and efficiency, is solely a responsibility of the City. Other rights and responsibilities belonging solely to the City are hereby recognized, prominent among which, but by no means wholly inclusive are: the rights to decide the number and location of its facilities, stations, etc., work to be performed within the unit, maintenance and repair, amount of supervision necessary, machinery and tool equipment, methods, schedules of work together with the selection, procurement, designing, engineering and control of equipment and materials. The City shall be the exclusive judge of all matters pertaining to methods, processes or means of accomplishing the municipality's ends, including but not limited to, the right to choose to effect new or improved methods and facilities and to change existing methods and facilities. The City reserves all rights that ordinarily vest in and are exercised by management, except as specifically relinquished in this contract. 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 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 Civil Service Rules, seniority rules, grievance procedures and other express provisions of this contract as herein specifically set forth.

5.2 The Employer reserves the right to sub-contract any municipal work, functions or operations but every effort shall be made not to sub-contract any such work, functions, or operations as long as financially feasible for the Employer to continue the performance of such work, functions, or operations. The Employer agrees that it will give a ninety (90) day notice of its intention to sub-contract any work performed by Association members if it will displace or result in the termination of any employee.

5.3 No policies and procedures covered in this Agreement shall be construed as delegating to others or as reducing or abridging any of the following authority conferred on City officials.

5.3.1 The Charter responsibility of the City Manager as Chief Administrative Officer for enforcing the laws of the State, City Charter and ordinances, recommending an annual budget of appropriations, and the efficient performance of executive responsibilities defined by the Charter.

5.3.2 The Charter responsibility of the Mayor and City Commission as the legislative body for the enactment of ordinances, the appropriation of money and the determination of the City's budget, among other legislative responsibilities defined by the Charter.

5.3.3 The Charter responsibility of the Civil Service Board for administering a merit system of employment, adopting rules and regulations, and exercising other personnel responsibilities as defined by the Charter.

5.3.4 The Charter responsibilities of the City in determining the functions and organization of the respective departments and divisions.

5.3.5 The responsibilities of the Department Heads governed by Charter provisions, ordinances, and Civil Service Rules:

- (a) To hire, assign, transfer and promote employees within the agency;
- (b) To suspend, demote, discharge, or take other disciplinary action against employees;
- (c) To relieve employees from duties because of lack of work or funds;
- (d) To determine the methods, means and personnel necessary for departmental or agency operations;
- (e) To control departmental or agency budget;
- (f) To take whatever actions are necessary in situations of emergency to perform the functions of the department.

5.3.6 The responsibilities to administer pay and fringe benefit plans, to provide the necessary surveys, research, rules, regulations, resolutions, and ordinances for this purpose, subject to the authority of the departments and the City Commission.

5.3.7 The responsibility for administering Charter and ordinance provisions relating to the Retirement Plan.

6.0 - ELIGIBILITY FOR EMPLOYMENT

6.1 All offers of employment shall be made prior to a physical examination in accordance with the American with Disabilities Act, but shall be conditional upon subsequent approval by a physician.

7.0 - CLASSIFICATION PLAN

7.1 Employees shall be classified in accordance with the position classification plan. The Employer shall notify the Association prior to establishing a new classification and rate structure or a major alteration to an existing classification which would logically fall under those positions represented by the Association. In the event the Association does not agree that the description and/or the rate are proper, it shall be subject to negotiations and the Grievance Procedure at Step 4. Should the Employer desire to alter an existing classification other than as set forth

above, it is agreed that no changes shall be implemented until consultation is held with the Association.

7.2 The Legal Secretary position's pay is red circled until Secretary II pay equals or is greater to this position. That will occur 7/1/09.

7.3 The Senior Citizen Program Tech salary will be reviewed by the parties.

8.0 - RECOGNITION - EMPLOYEES COVERED

8.1 The Employer hereby recognizes the Professional & Technical Employees Association as the sole and exclusive collective bargaining representative for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment and other conditions of employment and, for the term of this Agreement, the employees included in the bargaining unit shall be as follows (but excluding part-time, temporary, and seasonal employees):

Purchasing Agent, Planner I, II and III, Housing Assistance Program Supervisor, Coordinator of Senior Citizen Activities, Civil Engineer I, II and III, Appraiser I and II, Accountant I and II, Telecommunications Specialist, Web Administrator, Engineering Assistant I, II, III, and IV, Engineering Drafter, Senior Citizen Program Technician and Solid Waste Recycling Coordinator, Secretary I & II, Legal Secretary, Human Resource Specialist, Police Records Supervisor, Data Base Administrator, Network Administrator, Library Technology Specialist and PC Specialist.

8.2 Association Security Clause - The Employer agrees that it will not use temporary or seasonal employees in such a manner as to displace Association members from their jobs. It is recognized by the Association, however, that the Employer has the right to use part-time, temporary or seasonal employees on jobs of a temporary or seasonal nature, and that the Employer is under no obligation to combine two or more temporary or seasonal jobs involving disparate functions in order to create a full time job. Alleged abuses of this provision shall be subject to the grievance procedure.

8.3 The City reserves the right to utilize part-time, temporary employees and contractors at its sole discretion as long as it does not result in the layoff of bargaining unit members.

8.4 Part-time and Temporary Employees may work 1400 hours per year without pension, retirement, insurance or any other fringe benefits and will not be covered by the provisions of the collective bargaining agreement.

9.0 - REPRESENTATION

9.1 The employees shall be represented by a committee of three (3) members, one (1) of whom shall be the Chairperson, who shall be chosen in any manner determined by the employees. There may be an alternate appointed to serve in the absence of a regular committee person.

9.2 The Association and the Employer shall provide each other with a written list of names and titles of their respective representatives and will, from time to time, provide prompt notice of any change.

9.3 Special conferences for important matters may be arranged between the Association Chairperson, the Employer or its designated representatives upon the request of either party. Such meetings shall be between one or more representatives of the Employer and at least two (2), but no more than three (3), representatives of the Association. The arrangements for such special conference shall be made in advance, and an agenda of the matter(s) to be taken up at the meeting shall be presented at the time the conference is requested. Matters taken up in the special conferences shall be confined to those included in the agenda unless both parties agree to include other items. Such conferences shall be held on a workday within normal working hours and be completed by the end of a normal workday.

10.0 - ASSOCIATION MEMBERSHIP

10.1 The Employer recognizes the right of the Association to solicit membership from any employees working in the bargaining unit.

11.0 - ATTENDANCE

11.1 Employees shall be regular in their attendance and observe the working hours established.

11.2 All employees absent without authorized leave or who report late for any shift shall be penalized by way of a pay deduction in multiples of one tenth (1/10) of an hour for each six (6) minutes or fraction thereof of each day or portion of a day.

11.3 Habitual tardiness may be cause for disciplinary action up to and including discharge.

11.4 Arrangements for time off must be made in advance. If, for some legitimate reason, an employee is unable to report for work at the established time set by the Employer, the department shall be notified at least thirty (30) minutes beforehand unless physically impossible, at which time a call shall be placed no later than thirty (30) minutes after the start of the regular work day. Repeated failure to do so may result in disciplinary action up to and including discharge.

12.0 - CHANGE OF ADDRESS

12.1 Employees are required to notify their Department Head promptly of any change of address or telephone number so that the employee may be contacted at all times either by telephone or mail.

13.0 - DISCIPLINARY PROCEDURE

13.1 An employee who is summoned before a supervisor for disciplinary action shall be immediately told the purpose of the meeting. The supervisor shall then inform the employee that they are entitled to have their Steward present. The supervisor shall then ask the employee

if they want their Steward present. If the employee indicates they want their Steward present, there shall be no further discussion until the Steward is present.

13.2 Disciplinary action placed in the employee's file shall be subject to the following:

- (a) Oral reprimand shall be removed after one year from date of discipline at the employee's request, if no additional discipline has been enacted on that issue.
- (b) Written reprimand shall be removed after two years from date of discipline at the employee's request, if no additional discipline has been enacted on that issue.
- (c) One to three day suspension shall be removed after three years from date of discipline at the employee's request, if no additional discipline has been enacted on that issue.
- (d) Greater than a three day suspension shall be removed after five years from date of discipline at the employee's request, if no additional discipline has been enacted on that issue.
- (e) Any disciplinary record placed in the file shall be maintained there if other discipline is imposed on that issue during the time period in which the original discipline remains on file.
- (f) No employee file shall be made available to any person or organization other than the employer and the employee without the employee's expressed permission.

14.0 - GRIEVANCE PROCEDURE

14.1 A grievance shall mean a complaint by the Association and an employee or group of employees based upon an event, condition, or circumstance under which an employee works which is allegedly caused by violation or misinterpretation of any of the provisions of this Agreement.

14.2 An aggrieved person shall mean the person or persons making the complaint, either individually or through the Association.

14.3 The primary purpose of the procedure set forth in this section is to secure, at the earliest possible level, equitable solutions of complaints or grievances. Both parties agree that proceedings under this section shall be kept as informal and confidential as may be appropriate.

14.4 It shall be the firm policy of the Employer to assure to every employee an opportunity to have the unobstructed use of this grievance procedure without fear of reprisal or without prejudice in any manner to his employment status.

14.5 Presentation of Grievance - An employee having a grievance may present the grievance as follows:

- Step 1 - An employee having a grievance shall first take up the matter with his immediate supervisor, with the employee's Association representative present, at the employee's discretion. If the grievance is not settled to the satisfaction of all concerned, the grievance shall be reduced to writing, submitted to the employee's immediate supervisor, and the immediate supervisor shall furnish the Chairperson of

the Association with a written answer to the grievance within forty-eight (48) hours (excluding Saturday, Sunday, and holidays). Any grievance not taken up with the immediate supervisor within five (5) days after the occurrence or knowledge of the incident giving rise to the grievance (excluding Saturday, Sunday, and holidays) shall not be entitled to consideration.

- Step 2 - If a satisfactory settlement is not reached in Step 1, the Association Chairperson may, within five (5) days after receipt of the written answer (excluding Saturday, Sunday, and holidays) present the grievance to the employee's department head for review. The department head shall then furnish a written answer within five (5) days (excluding Saturday, Sunday, and holidays).
- Step 3 - If a satisfactory settlement is not reached in Step 2, the Association Chairperson may submit the matter in writing to the Human Resource Director of the City within five (5) days after receipt of the department head's answer (excluding Saturday, Sunday and holidays). The Human Resource Director shall upon receipt of the grievance, make a written disposition of same within five (5) days (excluding Saturday, Sunday and holidays).
- Step 4 - If a satisfactory settlement is not reached in Step 3, the Association may submit the matter in writing to the City Manager within forty-eight (48) hours following receipt of the Human Resource Director's written disposition of the grievance (excluding Saturday, Sunday and holidays). The City Manager shall, upon receipt of the grievance, make a written disposition of same within ten (10) days (excluding Saturday, Sunday and holidays).
- Step 5 - In the event the grievance is not settled in Step 4, the Association through its Chairperson shall have ten (10) days in which to invoke arbitration in those cases where arbitration is permitted. Arbitration can be invoked only in the following manner:
- (a) Written notice to the City within ten (10) days after receipt of disposition at Step 4, of intent to submit the issue to arbitration. Following such notice of intent to arbitrate, the parties shall attempt to select an arbitrator to arbitrate the dispute issue or issues.
 - (b) In the event the parties have not selected an arbitrator within ten (10) days of the date of notification of intent to arbitrate, or within such other period of time as may be mutually agreed upon, an arbitrator shall be selected in accordance with the rules, regulations and procedures of the American Arbitration Association.
 - (c) The decision of the arbitrator shall be final and binding on all parties.
 - (d) The arbitrator may not add to, subtract from, change or amend any of the terms of this Agreement, and shall only concern himself with the interpretation and application of the terms of this Agreement.
 - (e) The expense of such impartial arbitrator shall be borne equally by both parties.

14.6 Any grievance not appealed from a decision in one of the steps in the above procedure, to the next step as prescribed shall be considered dropped. The City shall not be authorized by this procedure to file grievances against the Association.

14.7 Each party to this Agreement, within ten (10) days (exclusive of Saturday, Sunday and holidays) after the receipt of such request, shall appoint a representative to act with the arbitrator in an advisory capacity and shall notify the other party in writing of such appointment.

14.8 All proceedings before the arbitrator shall be conducted in accordance with the voluntary labor relations rules of the American Arbitration Association. The arbitrator and the representatives shall hear the evidence in the case submitted. The representative shall have no power to vote, but shall be available for such advice and information as the arbitrator may need. The decision of the arbitrator upon any question permitted by this Agreement shall be final and binding upon both parties.

14.9 An Association Chairperson shall be paid for time spent during working hours in attendance at grievance meetings with the City representatives. The Chairperson will be permitted to leave his/her job upon request to, and with the approval of, his/her department head for the purpose of investigating the reported grievance in his/her assigned area.

14.10 The Association shall furnish the City Human Resource Office each July 1 and January 1 with a listing showing the Chairperson and his designated representatives, and shall further advise the Human Resource Department of any interim changes. Employees not included on such lists or any interim lists submitted will not be recognized as representatives of the Association.

14.11 Grievances protesting disciplinary action shall be subject to arbitration in the same manner as other grievances and shall not be subject to appeal to the Civil Service Board. The Employer agrees that prior to the taking of any disciplinary action against an employee, it will discuss the disciplinary action proposed to be taken with the Association President, and will explain the reasons for the proposed disciplinary action. The Employer also agrees that it will give due consideration to any arguments and factual information concerning the proposed disciplinary action that may be presented to it by the Association representative. The Employer agrees to give written notice of any disciplinary action taken to both the Association and the employee against whom such disciplinary action is taken.

15.0 - SENIORITY - GENERAL

15.1 Upon completion of a probationary period as specified in the Civil Service Ordinance (Ordinance No. 314), a permanent full-time employee having Civil Service status shall have seniority as of his date of hire. Employees exempt from the provisions of the Civil Service Ordinance shall serve a one year probationary period, and shall have seniority from date of hire upon its successful completion. Such seniority shall not be affected by race, creed, color, national origin, age, sex, marital status, dependents of the employee, or political affiliation.

15.2 An employee shall lose his or her seniority standing upon voluntary resignation or disciplinary separation from the City service, not reversed by an arbitrator.

15.3 In the case of rehiring a former employee, previous service performed on a full-time, permanent status shall be recognized for longevity, pension and vacation provided the employee is rehired under the provisions of Article IV, Section 11, (3) of Civil Service Ordinance No. 314 and/or Retirement Ordinance No. 91-4, Section 4, Credited Service, (a), (b), (c) and (d).

16.0 - SENIORITY OF VETERANS

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

17.0 - LOSS OF SENIORITY

17.1 An employee shall lose his/her seniority for the following reasons:

- (a) He/she resigns or terminates City employment.
- (b) He/she is discharged and the discharge is not reversed by an impartial arbitrator or a court of competent jurisdiction.
- (c) He/she is absent three (3) consecutive working days without notifying the Employer.
- (d) He/she does not return to work when recalled from layoff as set forth in the recall procedure.
- (e) Failure to return from sick leave or leave of absence will be treated the same as (c).
- (f) He/she retires.

18.0 - LAYOFF AND RECALL

18.1 The Employer may, for reasons of economy, for more efficient administration or for lack of sufficient appropriation of funds, abolish positions in a department and layoff employees. The following procedure shall be followed in any such case:

- (1) Temporary employees in the affected job classification shall be laid off first.
- (2) Probationary employees in the affected job classifications shall be laid off next.
- (3) Permanent employees in the affected job classification shall be laid off next in order of their total City seniority, the person with the least seniority being laid off first, and the person with the greatest seniority being laid off last.

18.2 The provisions for such procedure for employees having Civil Service status are contained in Ordinance No. 314 (Civil Service Ordinance). When the working force is increased after lay-off, employees having Civil Service status will be recalled as specified in Ordinance No. 314 (Civil Service Ordinance)

18.3 The Employer will give the Association at least thirty (30) days notice in writing of any proposed layoff or "bumping". Such notice shall identify the reason of necessitating the layoffs as referred to in 18.1 above.

18.4 Provided, further, that "bumping" to positions within this bargaining unit may be exercised solely by members of this Association. Those employees having Civil Service status may exercise the "bumping" privileges contained in Ordinance No. 314. Exempt employees shall not be allowed to "bump".

18.5 When the working force is increased after a layoff, employees will be recalled on the basis of their seniority within the classification. Notice of recall shall be sent to the employee at his/her last known address by registered mail or certified mail. If the employee fails to report for work within fourteen (14) days from the date of mailing the notice of recall, he/she shall be considered to have quit.

18.6 The employer shall provide unemployment compensation in accordance with the applicable statutes of the State of Michigan.

19.0 - WORK SCHEDULE

19.1 The workday shall consist of eight (8) hours in a calendar day, with not more than an additional sixty (60) minutes off for lunch without pay. The employer is amenable to the concept of summertime or flextime hours, depending upon the circumstances and the public demand of the particular department. Flextime shall be viewed as to permit the continued operation of departmental functions, both employee and employer wishes, and departmental seniority, and is subject to approval by the department head. Flex time schedules may include four ten-hour days per week, subject to prior approval of the department head.

19.2 The determination of the starting time and work schedules shall be made by the Employer.

19.3 For the purpose of the Agreement, the work week shall begin at midnight Saturday.

19.4 The basic work week shall consist of forty (40) hours in five (5) consecutive eight (8) hour days, Monday through Friday, unless the department head has given prior approval to the four (4) consecutive ten (10) hour day work week, Monday through Thursday or Tuesday through Friday.

20.0 - WASH-UP TIME - FIELD EMPLOYEES

20.1 All field employees shall be given five (5) minutes wash-up period before lunch, a ten (10) minute wash-up period at the end of their regular duty day.

21.0 - REST PERIODS

21.1 All employees working a regular tour of duty shall be entitled to two (2) rest periods per shift, excluding the lunch period. Whenever possible, these periods shall be scheduled in the middle of each one-half (1/2) regular duty day. The length of the rest periods shall be fifteen (15) minutes per period.

22.0 - PAY PLAN

22.1 Pay day for all employees shall be every other Friday, and shall cover a two (2) week period ending at 12:01 AM the Sunday preceding such pay day.

22.2 Employees who have questions regarding their checks shall refer such questions to their respective department heads.

22.3 Employees shall be paid on a salary basis.

22.4 The general across the board wage increase effective July 1, 2006 for all classifications represented by the Association shall be 0% of the pay rates in effect for fiscal year 2005/06.

22.5 The general across the board wage increase effective July 1, 2007 for all classifications represented by the Association shall be 2.5% retroactive of the pay rates in effect for fiscal year 2006/07.

22.6 The general across the board wage increase effective July 1, 2008 for all classifications represented by the Association shall be 3.0% of the pay rates in effect for fiscal year 2007/08.

22.7 The general across the board wage increase effective July 1, 2009 for all classifications represented by the Association shall be 2.5% of the pay rates in effect for fiscal year 2008/09.

22.8 This general wage provision shall be subject to any then existing Federal guidelines pertaining to permissible increases in wages and fringe benefits.

22.9 Starting salaries (within the range) and merit increases shall be at the discretion of the department head based on merit and performance. Merit increases, when recommended by the department head, shall be annual until the maximum of the range is reached.

23.0 - OVERTIME PAY

23.1 Personnel of the Professional and Technical Employees Association shall be divided into categories following the criteria established in the Fair Labor Standards Act (FLSA) 1985, as amended.

- (A) The employees exempt from the FLSA shall record all overtime as compensatory time off at straight time. Such overtime is non-cumulative and must be used by the end of the fourth month following the close of the fiscal year in which the compensatory time was earned.
- (B) The employees covered by the FLSA, and who are required to work more than a regular tour of duty in any one day as defined in 19.0, shall be paid at the rate of one and one-half (1-1/2) times their current hourly wage, or, at their option, may record such time at time and a half to a comp bank. Total hours in the bank cannot exceed forty (40). Hours banked but not used by the end of the fourth month following the close of the fiscal year in which earned, shall be paid at the employee's regular rate of pay.

23.2 The following is a listing of members of the Professional and Technical Group by category:

EXEMPT Planner III
Housing Assistance Program Supervisor
Coordinator of Senior Citizens' Activities
Accountant II
Solid Waste Recycling Coordinator
Purchasing Agent
Human Resource Specialist

NON-EXEMPT Civil Engineer I, II and III
Planner I, II
Accountant I
Appraiser I, II
Telecommunications Specialist
Web Administrator
Engineering Assistant I, II, III, and IV
Engineering Drafter
Senior Citizen Program Technician
Secretary I, II
Legal Secretary
Police Records Supervisor
Data Base Administrator
Network Administrator
PC Specialist
Library Technology Specialist

23.3 Non-exempt employees required to work on Saturdays shall be compensated at the rate of one and one-half (1-1/2) times their current hourly base wage for the first eight (8) hours and two (2) times their current hourly base wage for the ninth (9th) hour and each succeeding hour thereafter; provided, that to be compensated at the rate set forth herein, the employee must have worked forty (40) hours at straight time, less authorized time off with pay, during the week or have worked overtime in an emergency assignment to the point that would constitute a health or safety hazard if the employee were compelled to report for his/her normal tour of duty subsequent to the emergency assignment. In such event, overtime worked in the emergency assignment shall be considered as qualifying time for the premium pay.

23.4 Non-exempt employees who are required to work a variable schedule which recognizes days other than Saturday and Sunday as the normal weekend, and who are required to work the first day of the designated weekend, shall be compensated at the rate of one and one-half (1-1/2) times their current base wage for overtime worked on the first day of the recognized weekend.

23.5 Non-exempt employees required to work on Sunday will be compensated at the rate of two (2) times their current hourly base wage.

23.6 Non-exempt employees required to work on a variable schedule which recognizes days other than Saturday and Sunday as the normal weekend, and who are required to work the second day of the designated weekend, shall be compensated at the rate of two (2) times their

current hourly base wage for overtime worked on the second day of the recognized weekend. Non-exempt employees who are required to work on a designated holiday shall be compensated per hour at the rate of two (2) times their current hourly base wage plus the regular holiday pay at straight time for eight (8) hours.

23.7 Non-exempt employees required to work a schedule of four (4) ten (10) hour days per week shall be paid overtime at one and one-half (1 ½) times their current base wage for overtime worked Monday through Friday. Example: Employees working the four 10 hour schedule Monday through Thursday shall receive time and a half overtime for hours worked in excess of 10 hours per day on Monday through Thursday, and for all hours worked on Friday.

23.8 The term "base hourly wage" means the quotient of the employee's base annual rate divided by the number of hours in the standard work year. The standard work year is recognized as 2080 hours.

23.9 All overtime shall be computed to the nearest one-tenth (1/10) hour.

23.10 In emergency situations, a Department Head or the City Manager may require compulsory overtime work.

23.11 Employees requested to work in a higher classification for sick or vacationing employees for four (4) or more hours in any single given work day shall be paid at the next step rate of the higher classification which shall be greater than the employee's existing rate for the entire day.

24.0 - MINIMUM CALL BACK

24.1 With the exception of temporary employees, non-exempt employees called back to work overtime outside of his/her regular scheduled duty period shall be paid for a minimum of three (3) hours in accordance with Section 23. Exempt employees shall be provided with a three (3) hour compensatory time minimum for attending meetings.

24.2 In the event that such emergency does not require the full 3 hours of work, the employee may be assigned to other work for the balance of the 3-hour pay period in lieu of being sent home.

24.3 If the call back overtime work assignment and the employee's regular duty period overlap, the employee shall be paid for such overtime in accordance with Section 23 until his/her regular duty period begins, after which the employee shall be paid at the rate of his/her basic hourly wage.

25.0 - LONGEVITY PAY

25.1 (A) For employees hired prior to June 1, 1990. Longevity pay increments shall be awarded as per the following schedule:

Two percent (2%) of base pay after completion of five (5) years of service.

- Four percent (4%) of base pay after completion of ten (10) years of service.
- Six percent (6%) of base pay after completion of fifteen (15) years of service.
- Eight percent (8%) of base pay after completion of twenty (20) years of service.
- Ten percent (10%) of base pay after completion of twenty-five (25) years of service.

25.1 (B) For professional and technical employees hired on or after June 1, 1990 but before July 1, 2007, the following longevity pay schedule will be in effect:

After completion of five (5) years service:	\$250
After completion of ten (10) years service:	500
After completion of fifteen (15) years service:	750
After completion of twenty (20) years service:	1,000
After completion of twenty-five (25) years service:	1,250

25.1 (C) Employees hired on or after July 1, 2007 will receive no longevity pay.

25.2 For all employees eligible for percentage longevity payments, the payment shall be computed on the base annual rate in effect on July 1 of the fiscal year in which the payment is made.

25.3 Longevity pay shall be made by separate check for the full amount and paid between the dates of November 1 and November 15.

25.4 Military leave of absence shall be considered as continuous City service.

25.5 Credit shall not be given for time spent on a leave of absence in computing longevity pay eligibility.

25.6 The cut-off date for qualifying service shall be December 1. For example in order to be eligible for a first longevity pay increment, which is 2% of base pay for employees hired prior to June 1, 1990 and \$250 for employees hired on or after June 1, 1990 after five (5) years of service, the employee must have five years service as of December 1 of the fiscal year in which the payment is to be paid. Anniversary dates falling during the fiscal year will not be recognized for longevity pay until December 1 of that year.

25.7 In the event of termination, either through resignation or discharge, the employee shall be entitled to receive that longevity pay for which he was eligible as of December 1. He shall not, however, be entitled to partial longevity payment for service accrued in the fiscal year in which his employment is terminated. In the event payment has been made to an employee who has failed to meet the requirements specified in this section, the City shall deduct said amount from final compensation.

25.8 In the event of termination, either through retirement or demise, the employee shall be entitled to receive that longevity pay for which he was eligible as of November 30. In addition, he shall receive a partial payment for the time served in the fiscal year in which his retirement or

demise falls. Such payment shall be determined by the ratio formed between a full year of service and that portion of the year actually served.

25.9 In the event of layoff, the employee shall be entitled to receive that longevity pay for which he was eligible as of November 30. In addition, he shall receive a partial payment for time served in the fiscal year in which his layoff falls. Such payment shall be determined by the ratio formed between a full year of service and that portion of the year actually served.

26.0 - SICK LEAVE CONTROL PAY

26.1 The Sick Leave Control Program shall be applicable to all full time permanent or probationary employees.

26.2 In order to qualify for sick leave payment, an employee must have forty-five (45) days of accumulated sick leave as of the first day of the fiscal year in which payment is to be made.

26.3 Employees who have the prescribed minimum of accumulated sick leave shall be paid 100% of unused sick leave in excess of six (6) days earned during the fiscal year preceding the one in which payment is to be made. Those sick leave days for which pay is not given shall be added to the employee's sick leave accumulation.

26.4 All sick leave payments shall be computed on the annual base rate of pay in effect as of the last pay period of the fiscal year in which the sick leave was earned.

26.5 Sick leave payments shall be made by separate check for the full amount and shall be issued between the dates of July 15 and July 31.

26.6 If an employee so elects in writing to the City Manager, he may waive payment for sick leave and have the days for which payment would normally be given added to his sick leave accumulation.

26.7 The cut-off date for qualifying accumulated sick leave shall be as of June 30. As an example, in order to be eligible for sick leave payment, an employee must have a minimum of forty-five (45) days of accumulated sick leave as of June 30. Employees qualifying during the fiscal year will not be recognized for sick leave payment until the subsequent fiscal year.

26.8 In the event of termination, either through resignation or discharge, the employee shall be entitled to receive payment for which he was eligible as of June 30 of the fiscal year in which his sick leave was earned. He shall not, however, be entitled to a partial sick leave payment for sick leave accumulated and unused in the fiscal year in which his employment is terminated.

26.9 In the event of termination, either through retirement or demise the employee shall be entitled to receive sick leave payment for which he was eligible as of June 30 of the fiscal year in which the sick leave was earned. In addition, he shall receive a partial sick leave payment based on the payment of 50% of the unused sick leave earned in the fiscal year in which his employment is terminated.

26.10 In the event of layoff, the employee shall be entitled to receive payment for which he was eligible as of June 30 of the fiscal year in which his sick leave was earned. In addition, he shall

receive a partial sick leave payment based on the payment of 50% of the unused sick leave earned in the fiscal year in which his layoff occurs.

26.11 In the event of retirement, any employee having sick leave balance shall be paid for the sick leave balance at the time of retirement up to a maximum of Four Hundred (400) hours. Such pay shall be at the employee's base rate in effect at the time of his retirement. Employees who use no more than six (6) days during the last year of employment shall receive payment for up to forty (40) additional hours, to a maximum of four hundred forty (440) hours.

26.12 In the event of an employee's death, the deceased employee's spouse or children, if no spouse survives, shall be entitled to the same pay out program as specified under Section 26.11.

27.0 - DEFERRED COMPENSATION

27.1 Employees covered by this contract may participate in either the ICMA-RC or Nationwide or other carrier determined by the City's deferred compensation plans. Information is available in the Human Resource Department."

27.2 401A PLAN

(A) The employer will contribute 1.5% of base pay to the employees' 401A plan.

(B) Employees shall place 100% of exit pay into their 401A plan.

(C) Consistent with federal regulations, employees may elect to make an irrevocable bi-weekly contribution from 0% to 20% to their 401A plan, or may choose not to elect.

28.0 - OTHER EMPLOYMENT

28.1 Employees of the City may take part time jobs if there is no conflict of working hours, if the employee's efficiency in performing his work for the City is not impaired thereby, and if no conflict of interest results from such part time employment. Employees of the City may not engage in outside activities while on duty, nor may City property be used for any business other than City business.

28.2 An employee injured on any other gainful employment outside of City employment shall not be eligible for either sick leave or injury leave for absence arising out of such injury.

29.0 - ACCIDENTS

29.1 All personal duty related injuries and illness, however minor, shall be reported to the employee's department head immediately. The employee must take such first aid treatment as may be recommended. Such injuries and illnesses shall, in turn, be reported on the Basic Accident Report an Supplemental Report to the Human Resource Department for the preparation of the necessary Workers' Disability Compensation form.

29.2 Supervisory employees in charge of field employees or office staff are responsible for the completion of the "Supplemental Accident and/or Illness Report" for each reported accident or illness regardless of whether the employee goes to the hospital or sees a doctor. This form,

when completed, will be forwarded to the Human Resource Office with a copy of the Basic Accident Report.

30.0 - CONFLICT OF INTEREST

30.1 No employee may engage in any business or transaction nor have a financial interest, direct or indirect, which is incompatible with the proper discharge of his official duties in the public interest or would tend to impair his independence of judgment or action in performance of his official duties.

31.0 - TELEPHONES

31.1 Employees shall not use telephones for personal calls except in cases of emergency.

31.2 Employees working longer than a normal tour of duty (8.0 hours) may call and notify a family member of the expected length of overtime duty.

32.0 - TIME CLOCKS

32.1 Department heads may require the use of time clocks.

33.0 - RESIGNATIONS

33.1 To resign in good standing, an employee must give the appointing authority at least two (2) calendar weeks notice unless the appointing authority, because of extenuating circumstances, agrees to permit a shorter period of notice. A written resignation shall be supplied by the employee to the Department Head. The Department Head shall forward such resignation to the Human Resource Department for filing in the employee's personnel file.

33.2 Failure to comply with the above rule shall be entered on the service record of the employee and may be the cause for denying payment for accrued vacation. The resignation of any employee who fails to give notice will be reported to the Human Resource Department by the department head.

34.0 - RETURN OF CITY PROPERTY

34.1 Any employee leaving the service of the City, whether through resignation, retirement, layoff or discharge, is responsible for returning any City property which he/she may have in his/her possession. Failure to return City property may result in the employee's final check being held up with deductions being made for the value of the property.

35.0 - PHYSICAL FITNESS

35.1 Each employee covered by this Agreement must maintain physical fitness commensurate with the duties and requirements of the position he/she occupies.

36.0 - JURY DUTY

36.1 An employee called for jury service or subpoenaed to appear as a witness in court or before any other body empowered by law to compel attendance of witnesses by subpoena, shall be excused from duty for the time necessary to allow him/her to be in attendance as required and will be paid the difference between his/her straight-time pay and the fee received for acting as a juror or witness.

37.0 - SICK LEAVE

37.1

(a) Any permanent or probationary employee hired before July 1, 2007 shall accrue sick leave at the rate of eight (8) hours for each month of service. There shall be no maximum accumulation.

(b) All employees hired after July 1, 2007 will accrue sick leave at the rate of six (6) hours per month.

37.2 Sick leave will be paid at the employee's regular hourly rate.

37.3 Sick leave shall not be considered a privilege that an employee may use at his/her discretion, but shall be allowed only in cases of actual sickness or disability.

37.4 Sick leave will not be allowed when absence is due to the use of narcotics or intoxicants.

37.5 In the event of resignation or discharge, all accumulated or unused sick leave shall be cancelled and not paid.

37.6 Any employee who actively pursues and engages in self-employment or works for another employer while on sick leave may be subject to discharge.

37.7 Any employee who becomes ill and unable to report for work must notify his/her immediate supervisor at least thirty (30) minutes prior to starting time, if possible, and each day thereafter or the absence may not be charged against his/her sick leave. If the department is not open thirty (30) minutes prior to starting time, the report of sickness must be made at the normal starting time.

37.8 Normally, no sick leave shall be granted in excess of the allowances accumulated. In unusual cases, the City Manager may approve paid sick leave in advance of accrual up to a maximum of ten (10) days. In the event that an employee who has been granted sick leave in advance of accrual, terminates or is terminated prior to the accumulation of sick leave granted, his/her final check shall be adjusted to reimburse the City for said sick days.

37.9 The minimum time charged to an employee for sick leave shall be one (1) hour.

37.10 A certificate from a reputable physician may be required as evidence of illness before compensation for a period of illness is allowed.

37.11 After all sick leave is used, if the employee so elects, annual leave may be used as sick leave and regular payments made therefore to the extent of the annual leave to which the

employee is entitled. Whenever absence due to illness exceeds the amount of paid leave earned and authorized, the pay of the employee shall be discontinued until he/she returns to work.

37.12 Any newly hired employee who does not have any sick leave credits may draw an advance of twelve (12) sick leave days per year, and in the event that employment is terminated and an employee owes sick leave to the City, the City shall deduct from any monies owing from the City to the employee a sufficient sum to reimburse the City for sick leave taken and paid for but not earned.

37.13 An employee injured in the course of gainful employment other than City employment, shall be eligible for sick leave, but only to the extent that he/she is not compensated for absence from the City employment by the benefits accruing from such outside gainful employment.

37.14 After an employee has exhausted all sick leave accrued, vacation and compensatory time off, he/she may be advanced sick leave to cover a maximum period of one hundred-twenty (120) hours from the occurrence of the disability. In the event the employee terminates before the advanced sick leave is repaid, the employee is obligated to repay the City for said time.

38.0 - LEAVE WITHOUT PAY

38.1 A Department Head may authorize leave for a permanent employee requesting in writing to be absent without pay for personal reasons for a period not to exceed ten (10) working days in a calendar year.

38.2 A Department Head, in consultation with the City Manager, may authorize leave for a permanent employee requesting in writing to be absent without pay for period not to exceed six (6) months.

38.3 If a permanent employee has a prolonged physical or mental illness, including pregnancy, the employee may be granted by the City Manager at his written request, a leave of absence without pay not to exceed twelve (12) calendar months.

38.4 An employee on leave without pay in excess of 30 days in any fiscal year shall not accrue vacation, sick leave, retirement credit, service towards longevity pay or other fringe benefits or seniority to be compensated for holidays falling during the leave period provided that an employee on leave without pay as result of an illness or a duty-incurred injury shall accrue seniority, service towards longevity, step increases, pay advancement and vacation improvement based on seniority.

38.5 Whenever absence due to illness or injury exceeds the amount of paid leave earned and authorized, the employee shall be placed on Leave Without Pay.

38.6 An employee will forfeit his/her seniority and shall be subject to disciplinary action if he/she is self-employed or works for other employers during a leave of absence.

38.7 An employee who fails to return to work at the termination of his leave of absence shall lose his seniority and his employment shall terminate.

38.8 Upon return of an employee from leave of absence, he/she shall be reinstated to the same classification which he/she held prior to the leave of absence. There is no guarantee that he/she will be reinstated to the same job.

38.9 Time spent on a leave of absence greater than thirty (30) days in duration will not count toward qualifying service for merit pay increases.

38.10 When requesting leave without pay an employee is not to be required to have exhausted accrued vacation or personnel business time for the current fiscal year as a prerequisite to the request being granted.

39.0 - VACATION LEAVE

39.1 Any permanent or probationary employee with one (1) full year of service prior to July 1 shall be allowed annual leave consisting of absence from duty for ten (10) work days, or two (2) calendar weeks.

39.2 Any permanent or probationary employee with less than one full year of service prior to July 1 shall be allowed annual leave in the proportion that his/her actual service bears to a full year of service. The employee may not use this partial leave, however, until he/she has served the City for one (1) year. This provision may be waived at the discretion of the Department Head.

39.3 For employees hired before July 1, 2007, any permanent or probationary employee hired prior to July 1, 2007, with five (5) years of service, but less than ten (10) shall be allowed annual leave of fifteen (15) working days or three (3) calendar weeks. He/she shall be eligible for such leave the day after the completion of the fifth year of service.

39.4 For employees hired before July 1, 2007, any permanent or probationary employee with ten (10) years of service, but less than sixteen (16) shall be allowed annual leave of twenty (20) working days or four (4) calendar weeks. He/she shall be eligible for such leave the day after the completion of the tenth year of service.

39.5 For employees hired before July 1, 2007, accrued leave shall increase to twenty-one (21) working days after sixteen (16) years of service, twenty-two (22) working days after seventeen (17) years of service, twenty-three (23) working days after eighteen (18) years of service, twenty-four (24) working days after nineteen (19) years of service, and twenty-five (25) working days, or five (5) calendar weeks, after twenty (20) years of service. The employee shall be eligible for such leave the day after completion of the stated year of service.

39.6 For employees hired on or after July 1, 2007, any permanent employee with six (6) full years of service but less than fifteen (15) shall be allowed annual leave of fifteen (15) working days or three (3) calendar weeks. He/she shall be eligible for such leave the day after the completion of the sixth (6th) year of service.

39.7 For employees hired on or after July 1, 2007, any permanent or probationary employee with fifteen (15) full years of service shall be allowed annual leave of twenty (20) working days or four (4) calendar weeks. He/she shall be eligible for such leave the day after completion of the fifteenth (15th) year of service.

39.8 All vacations must be taken within the fiscal year following the fiscal year of accrual and cannot be extended into the succeeding fiscal year unless permission is granted in writing by the City Manager. Employees shall forfeit all rights to vacation time if not taken as per the aforesaid rule.

39.9 In the event of termination for reasons other than discharge, an employee shall be entitled to accrued vacation, provided he/she has given a minimum termination notice of ten (10) working days, or two (2) calendar weeks in writing to his Department Head.

39.10 No part-time employee or temporary employee is eligible for vacation.

39.11 Vacation schedules shall be established by the Department Head so as to permit the continued operation of all departmental functions without interference. Both employee and employer wishes shall be taken into consideration in establishing vacation schedules. Employees will be given preference according to department seniority to select available vacation periods.

39.12 If a holiday occurs during an employee's vacation, he/she shall be entitled to an extra day of vacation at his/her regular straight-time rate. A holiday will be considered to occur during an employee's vacation week if the holiday and the vacation are included with the period of seven (7) consecutive days commencing at midnight on Saturday.

39.13 If an employee dies, his/her next of kin will be paid the regular straight-time pay for all vacation he/she would have otherwise received.

39.14 Vacation pay will be paid at the employee's regular hourly rate.

40.0 - HOLIDAYS

40.1 Employees shall receive the following fifteen (15) paid Holidays:

- | | |
|---------------------|-------------------------------------|
| 1. New Year's Day | 7. Day after Thanksgiving Day |
| 2. Good Friday | 8. Christmas Eve |
| 3. Memorial Day | 9. Christmas Day |
| 4. Independence Day | 10. New Year's Eve |
| 5. Labor Day | 11. Five (5) Personal Business Days |
| 6. Thanksgiving Day | |

40.2 When any of the above Holidays falls on a Saturday, the Holiday shall be observed on Friday; when the Holiday falls on Sunday, it shall be observed on Monday.

40.3 Holidays will be paid at the employee's regular hourly rate (inclusive of shift or other work premium pay).

40.4 In order to qualify for holiday pay, an employee must be on duty the working day before and after the holiday. If the holiday falls on a scheduled leave day, the employee may take an alternate day. Such selection must be cleared with the Department Head. Authorized absence with pay shall be considered as being on duty.

40.5 In order to qualify for Personal Business Days, an employee must have successfully completed his/her probationary or trial period. The employee shall then be eligible for Personal Business Days in proportion to that part of the fiscal year remaining. (e.g., an employee hired July 1, would complete the probationary period January 1, and then would be eligible for twenty (20) hours of Personal Business based on six months of the fiscal year remaining.

40.6 For employees hired after July 1, 2007 personal business days will be reduced to two (2) per year, which will be received after one (1) full year of service and will be increased to four (4) days after five (5) years of service.

40.7 The days granted for Personal Business may be taken any time during the fiscal year but may not be carried from one fiscal year to the next. The scheduling of Personal Business days is subject to the approval of the department head.

40.8 If an employee is called to work on a pre-scheduled Personal Business day, he/she shall be compensated for the time in keeping with the provisions for holiday overtime as contained in this contract.

40.9 A holiday or holidays falling during a period while the employee is on paid leave, exclusive of vacation, shall be considered as having been taken.

41.0 - MILITARY LEAVE

41.1 Any permanent employee entering active service under the Universal Military Training and Service Act, as amended, who shall enlist in the military service for one enlistment, shall be granted a leave of absence and subsequent reemployment rights subject to the limitations of applicable law. Time spent in military service under the aforesaid provision shall be considered as qualifying service for longevity pay purposes and extended vacation benefits.

42.0 - BEREAVEMENT LEAVE

42.1 In a case of death in the immediate family (family defined as the spouse, child, mother, father, mother-in-law, father-in-law, brother, sister, grandparent or other relative living in the employee's household) a permanent or probationary employee may be granted a leave of absence, with pay, for a period not to exceed three (3) normal work days. Employees will be granted two (2) additional days of bereavement leave, for the death of a spouse, child, mother, father, brother, or sister.

42.2 Bereavement leave will be paid at the employee's regular hourly rate.

42.3 Any employee who is self-employed and actively pursues or engages in self-employment or works for another employer while on bereavement leave shall be subject to discharge.

42.4 Should a death of a member of his/her immediate family occur while an employee is on a scheduled vacation, he/she shall be eligible to receive the benefits stated herein, provided he/she notifies the City prior to the date of the funeral and he/she attends the funeral.

43.0 - INJURY LEAVE

43.1 In the case of a job-incurred illness or injury to a permanent or probationary employee resulting in a physical or mental disability to the extent that the employee is unable to perform his/her regular duties or perform selected limited assignments, he/she shall be placed on injury leave.

43.2 Time spent on injury leave shall be considered for all purposes as continuing service. Any time during injury leave an employee may be required to submit to a physical examination by a City physician.

43.3 Injury leave pay will be at the employee's regular hourly rate (exclusive of shift or other work premium pay) so that an employee shall be entitled to take-home full pay, which is deemed to be the average take home of the three (3) preceding full paychecks plus any deductions which were authorized by the employee or by Court order.

43.4 Injury Leave shall not exceed three hundred and sixty (360) working hours at full pay for any one compensable illness or injury, with an additional seventeen hundred and twenty (1720) hours at eighty percent (80%) of pay. Full pay shall be defined as gross weekly pay less mandatory deductions including, but not limited to, normal state and federal withholding taxes, social security taxes and pension contribution. If an employee desires to remain at the one hundred percent (100%) level, he/she may do so by notifying the City in writing. The employee will be allowed to remain at one hundred percent (100%) of pay provided that the eighty (80%) percent is supplemented by the use of hours from the following:

1. Vacation Days
2. Personal Business Days
3. Holidays
4. Sick Leave accruing during the fiscal year the injury leave is taken
5. Sick Leave Bank

The employee must exhaust the days/hours accrued in each enumerated category.

43.5 An employee who is self-employed and actively pursues or engages in self-employment or works for another employer while on Injury Leave shall be subject to discharge.

43.6 After receiving Injury Leave pay for 2080 hours, the employee's compensation shall be governed by the Michigan Workers' Disability Compensation Act.

43.7 Injury Leave and subsequent pay shall start immediately upon reported illness or injury.

43.8 An employee who either becomes ill or sustains a duty related injury and is eligible for Injury Leave payment under this section shall avail himself/herself to City approved medical treatment per the provisions of the Workers Disability Compensation Act. Provided, that any employee who refused medical attention or who does not avail himself/herself for therapy will be disallowed Injury Leave.

44.0 - EMERGENCY LEAVE

In the event that a permanent, probationary employee's spouse, relative living in the employee's household, or one or more children becomes ill or incurs an injury of an emergency nature which prevents the employee from reaching his/her place of employment or would compel the employee to leave his employment in order to take the above-defined relative to either a hospital or doctor's office, the employee, upon furnishing a written statement from the attending physician to the employee's Department Head validating the emergency, shall be paid his regular wage for his/her time away from work, and the time taken shall be deducted from the employee's accrued and unused sick leave benefits in an amount of time ranging from one (1) but not to exceed twenty-four (24) hours in any one (1) fiscal year.

45.0 - INSURANCE

45.1 Life Insurance

All employees shall be eligible for fifty thousand dollars (\$50,000.00) group life insurance, with the City paying the full premium, and may include at their own expense optional coverage for spouse and children, if available from the Carrier.

45.2 Health Insurance

(A) Health Care Options: For the periods prior to July 1, 2007, all employees may choose from four (4) health care insurance plans. These health care alternatives shall include SelectCare HMO with \$10 office co-pay, \$10/20 drug rider and vision coverages; Health Alliance Plan HMO with \$10 office co-pays, \$10/20 drug rider and vision coverage; Blue Care Network HMO with no office co-pays, \$10/20 drug rider and vision rider; and M-Care POS (Point of Service) Plan with \$10 office co-pays and \$10/20 drug rider with a cap of 30 prescriptions as described in (C) below. These health care options shall continue into retirement. Employees hired on or after 7/1/2007 shall make payroll contributions to cover 10% of the cost of health care premiums continuing into retirement.

(B) Blue Cross/Blue Shield PPO: For the periods prior to July 1, 2007 employees who were hired prior to November 13, 1995 and who are listed on the attached Letter of Agreement, shall also have the option of selecting the Blue Cross/Blue Shield PPO (or comparable) insurance, as described in the Letter of Agreement, with the coverages described therein. Coverages shall include the \$10/20 Prescription Rider for all employees and future retirees, with a 30 prescription cap described in (C) below. Employees listed in the Letter of Agreement shall also be eligible to select the Blue Cross retiree coverages listed therein.

Blue Cross/Blue Shield (or similar insurance thereto which may be secured at the option of the City provided that the benefits are at least identical to the benefits described herein), shall be offered by the City to employees and qualified dependents with the Blue Preferred Plan (PPO option); Blue Shield Certificates MVF-1; Vision Care Group Benefit A-80; PD-MAC; Prescription Drug Rider with \$10/20 deductible; RX Pharmacy, ML, FAE-RC and VST riders; PLUS-15 (PPO); Blue Cross Rider D45NM. Blue Cross Certificates: Comprehensive Hospital Care. BC/BS Certificates: Master Medical Option I; FC: COB-3; SD; SOT-PE (w/GLE-1) Organ Transplant; SAT-II; TRUST-15 (PPO); MMC-PD and MMC-POV. The City shall pay the full annual premium for the above described coverage.

The Preferred Provider Organization (PPO option), the BC/BS Blue Preferred Plan, has been agreed to with the following language: Additionally, PPO is agreed to with contingency language based on the Blue Preferred Plan program continuing with no more than a 10 percent reduction in the listing of participating physicians - otherwise, the Professional and Technical employees have the option to return to the traditional coverage, i.e., standard BC/BS hospital and surgical coverage with Prevent and Mandatory Second Opinion.

(C) Prescription Drug Rider: For the periods prior to July 1, 2007 and effective July 1, 2005 the prescription drug rider for all employees shall be \$10/20 with a cap of 30 prescriptions per fiscal year per policy. Employees with more than 30 prescriptions per fiscal year shall be reimbursed for the additional cost of the co-pay for prescriptions in excess of 30. Reimbursement will be made by the Finance Department on an annual basis for the period of July 1 through June 30 each year. It is the responsibility of the employee to present to the Finance Department copies of the prescriptions for the prior period between July 1st and July 31st each year. The reimbursement will be paid out by August 31 each year.

(D) Effective July 1, 2007, the following language will apply:

- i. Health Insurance for existing employees who are not in an HMO will be Community Blue Option II or equivalent with a \$10.00 generic drug card and a \$20.00 brand drug card. Effective July 1, 2007 and thereafter, the City may put into effect a formulary drug card with a \$10.00 generic/\$20.00 and \$30.00 brand drug co-payment.
- ii. For employees in an HMO, the drug card above will apply. There will be two designated HMOs by the City. Those are HAP (two plans) and BCN. Individuals who are presently in an HMO and were hired prior to July 1, 2007 will be provided with an option to be in Community Blue II. That election must occur within a thirty (30) day open enrollment period immediately after ratification of the collective bargaining agreement. Should they choose not to enroll in Community Blue II, they will remain in the HMO. Thereafter, individuals who are in an HMO and were hired prior to July 1, 2007, may elect during an open enrollment period to have Community Blue – II at no cost to the member.
- iii. Premiums shall be fully paid by the City for employees hired before July 1, 2007. Employees hired on or after July 1, 2007 shall make payroll contributions to cover 10% of the cost of healthcare premiums continuing into retirement.
- iv. Mandatory mail-in for maintenance drugs MOPD 2.
- v. The City is authorized to utilize self insurance, wrap plans and/or consolidating carriers as long as equivalent benefits are provided.
- vi. Employees hired on or after July 1, 2007 shall make payroll contributions to cover 10% of the cost of healthcare premiums continuing into retirement.

(E) Family Continuation Coverage: The City and the subscriber will each be responsible for fifty percent (50%) of the premium for optional Family Continuation Coverage.

(F) Duplicate Health Care Benefits: The City agrees to pay the employee/subscriber thirty percent (30%) of the scheduled premium annually up to a maximum of \$2,400 to select the benefits under a spouse's health care plan. For employees eligible for Blue Cross, this shall be computed as thirty percent (30%) of the scheduled Blue Cross premium. For other employees, this shall be computed as thirty percent (30%) of the scheduled premiums for the four HMO/POS alternatives. Employees opting out of Blue Cross may elect to keep the separate BC/BS riders for Master Medical, prescription drugs, and or vision coverage, with the cost being deducted from the thirty percent (30%) reimbursement. Further, in the event the employee's spouse is terminated for any reason, the City will pay the COBRA payments until the employee subscriber can obtain coverage under the City sponsored health care programs. The 30% reimbursement to select benefits under a spouse's health care plan will also be extended to current retirees who are receiving full health care benefits.

45.3 Dental Insurance: The City shall provide a co-payment dental insurance plan which shall be the Delta Dental Plan of Michigan with full family coverage (or similar insurance thereto which may be secured at the option of the City), Class I Basic Dental Benefits with twenty five percent (25%) employee co-payment, and Class II Prosthodontics Dental Benefits with twenty-five percent (25%) employee co-payment, and Class II Prosthodontics Dental Benefits with twenty-five (25%) percent employee co-payment; there shall be an \$800 per person maximum benefit per contract year on Class I and Class II benefits. Further, there shall be Class III Orthodontic Benefits with a twenty percent (20%) co-payment and a \$1,500 lifetime maximum per eligible person.

45.4 Optical Insurance: The City shall provide and pay the full premium for Blue Cross/Blue Shield A-80, HAP, M-Care, or SelectCare optical plans for each employee and qualified dependents.

45.5 Notice - Status Change: Employees are required to immediately notify the employer of any change in marital status which has an effect on the City's payment of fringe benefits. Failure to do so will result in the employee being held responsible for any cost incurred because of his/her negligence.

45.6 An employee on leave of absence in excess of thirty (30) days may continue his/her health, medical, dental, life and optical insurance at his/her own expense under the group program. Payment must be made each month in advance, with the understanding that there will be no reimbursement.

45.7 Continued group coverage is offered to qualified former employees and qualified dependents or former dependents of the employees under the provisions of the Federal legislation known as COBRA. Information is available at the Human Resource Department.

45.8 Retiree Insurance Benefits:

(A) Retiree Health Insurance: For employees who retired prior to July 1, 2007, the City shall provide and pay the premium for medical, dental and optical insurance for retirees and their families. Retiree health care options shall be the same as those described for employees in

Section 45.2(A) above. Employees hired before November 13, 1995 shall also have the option of selecting traditional BC/BS (or similar but equal) medical insurance for the retiree, spouse and eligible dependents. This coverage shall include MVF-1; Master Medical Option I; Prevent and Mandatory Second Opinion; the ML, FAE-RC and VST Riders, with Reciprocity; Rx Pharmacy, Organ Transplant, co-pay Optical Coverage A-80, and generic drugs with a \$5 prescription rider for those retirees who retire between 7/1/2005 and 6/30/2006, and a \$10/20 drug rider for those retirees who retire after 6/30/2006, subject to the same 30 prescription cap described in 45.2(C) above. Premiums shall be fully paid by the city for employees hired before 7/1/2007. Employees hired on or after 7/1/2007 shall make payroll contributions to cover 10% of the cost of retiree health care premiums.

Effective July 1, 2007 for employees hired prior July 1, 2007, the offered plan at retirement will be Community Blue II, or its equivalent, with the drug card noted above. The City may afford retirees available equivalent options at its discretion.

(1) To be eligible for retiree healthcare insurance, an individual must be age 55 with at least 20 years of service or age 50 with at least 25 years of service with the City. Any years of service purchased by the member for pension purposes under the contract will count toward eligibility under this provision. Any years of service purchased by the member under the Retirement Ordinance at the actuarial rate will not count towards eligibility under this provision.

Fifteen (15) years of service is required for retiree healthcare insurance at age 60 (regular retirement) for current employees hired prior to July 1, 2007.

(2) The City will pay for the retiree, spouse and eligible dependants at the time of retirement only for employees hired before July 1, 2007.

(3) There is no City-paid Family Continuation Coverage at retirement which is the present status quo.

(4) Retirees and dependents who are eligible for medical insurance coverage under an insurance plan other than that provided herein shall be required to choose coverage under one plan or the other. The retiree may, however, opt at any time for coverage under either plan subject to the entry and eligibility provisions of the plan, but a retiree may not opt to change plans more than twice in any calendar year. In no circumstance may a retiree be simultaneously covered by more than one plan. Retirees shall be eligible for the same duplicate health care reimbursement option as outlined for employees in 45.2 (D).

(5) The City shall continue a retiree's health care benefits for the surviving spouse and eligible dependents at the demise of the retiree.

(6) Upon becoming eligible for Medicare benefits, any retiree or person covered through or because of such retiree shall obtain City sponsored "Complimentary Coverage", to coordinate the benefits and for Medicare to be primary, with the City paying the premium for the Part B Coverage through reimbursement each month.

(B) Retiree Dental Insurance: Delta Dental Plan of Michigan (or similar insurance thereto which may be secured at the option of the City) containing Class I Basic Dental Benefits with a 25 percent (25%) co-pay, and Class II Prosthodontics Dental Benefits with a twenty-

five percent (25%) co-pay. There shall be a \$600 per person maximum benefit per contract year on Class I and Class II Benefits.

(C) ESTABLISH AN EMPLOYEE HEALTH RETIREMENT SAVING ACCOUNT FOR INDIVIDUALS HIRED BY THE CITY ON OR AFTER JULY 1, 2007.

All present insurance benefits for retirement will be eliminated for new hires after July 1, 2007.

A Health Retirement Savings Account is a program that allows employers to contribute monies on a tax free basis to accounts established by employees. It is designed to replace all retiree insurances for employees newly hired after July 1, 2007.

These accounts may be used by the employee, their spouse, or qualified dependents to help offset the cost of health care after the employee retires or separates from service.

The employee does not pay taxes on the contributions, investment earnings, or distributions for medical reimbursements.

The City at its sole discretion can determine which plan will be provided and the same plan will be provided to all non-union employees.

A sum will be determined by the City which will be provided to the employee's accounts.

After death, any remaining account balance may be used by the employee's surviving spouse or surviving dependents for the reimbursement of qualified medical expenses.

Vesting will be ten (10) years under this plan.

The City will contribute \$40.00 per month for each eligible member.

46.0 - DUTY/NON-DUTY DISABILITY

46.1 Any permanent or probationary employee who becomes permanently and totally disabled as a result of an on-the-job connected injury, or any permanent employee with a minimum of five (5) years of service who becomes permanently and totally disabled as a result of a non-service connected injury or illness, shall be eligible for a monthly payment of two-thirds (2/3) of his/her base monthly salary in effect at the time of such injury or illness but in no event will such monthly payment exceed three thousand, five hundred dollars (\$ 3,500). These monthly payments shall continue until the employee reaches voluntary retirement age as defined in Section 51.1 (C). The provisions contained herein shall be limited and governed by the insurance policy. An employee on disability leave shall no longer continue to accrue sick leave.

47.0 - UNEMPLOYMENT INSURANCE

47.1 Unemployment compensation is provided in accordance with the laws of the State of Michigan.

48.0 - TUITION REIMBURSEMENT

The Tuition Reimbursement Program is designed to encourage employees to improve their job skills, to increase their value to the City by pursuing courses of study directly related to their work and to assist them in preparing for future promotions within the City. The policy and procedures governing this program are intended to be flexible to insure optimum utilization of the available funds. The following provisions are established to govern the administration of the City's Tuition Reimbursement Program.

48.1 Application for tuition reimbursement will only be considered from employees who are full-time probationary or permanent.

48.2 Applications will not be considered if the employee is receiving funds for the same course from any other source (G.I. Bill, Scholarships, etc.).

48.3 Applications may be made only for attendance at a school of recognized educational standing, including correspondence schools. Selected subjects must relate directly to the employee's present job or to a reasonably predictable future job with the City. These include:

- (1) Technical or non-technical courses of immediate benefit to the employee and the City in the performance of present assignments when qualifying for promotion within the present field of specialization.
- (2) Technical or non-technical courses outside the employee's current field of specialization but related to either field of specialization within his/her department and progression in a related field.

48.4 Reimbursement shall be made for 50% of the cost of the tuition and 100% of the cost of textbooks. Textbooks may be kept by the employee. In no case shall the reimbursement exceed \$250.00 per course. Employees must present official school receipts indicating the cost of tuition and textbooks for the course.

48.5 Eligibility shall be made only for course work for Tuition Reimbursement and shall be limited to two courses per semester per employee.

48.6 Reimbursement shall be made only for course work for which the applicant received a grade of C or its numerical equivalent or better. Employees must present official school transcripts showing the final grade received.

48.7 As funds for tuition reimbursement are limited, priority for reimbursement shall be governed by the time and date the completed applications are received from employees. Approval of applications for tuition reimbursement is contingent upon the availability of funds, the employee's successful completion of the course and adherence to the policies and procedure outlined in this program.

48.8 The following procedure shall be followed in making application for course approval and tuition reimbursement:

- (1) The employee shall submit his/her application for course approval and tuition reimbursement in the form of a memorandum to his/her Department Head. The memorandum must include detailed information concerning the course or courses for which reimbursement is sought.

- (2) The application shall be reviewed by the City Manager, Department Head and Human Resource Director for approval or disapproval.
- (3) If the course is approved for tuition and textbook reimbursement, the employee shall notify his/her immediate supervisor no later than one (1) month after the course is completed and present to his/her Department Head his/her transcript of credits, as well as appropriate receipts for tuition and textbooks, for reimbursement. This material is, in turn, forwarded to the Human Resource Department.
- (4) Upon receipt of the transcript of credits and appropriate receipts for tuition and textbooks(s), the Human Resource Department shall submit to the Finance Department a memorandum authorizing the issuance of tuition and textbook reimbursement to the employee. A copy of the transcript of credits shall become a permanent part of the employee's personal file.

49.0 - SAFETY EQUIPMENT AND UNIFORMS

49.1 Employees, in the performance of their jobs, shall at all times insure the use of safety devices and protective equipment which may be furnished by the department, and will comply with safety, sanitary and fire regulations and promulgated policies.

49.2 Engineering Department field employees shall be required to wear ANSI-approved safety shoes while on construction site, inspection or survey crew. The City shall reimburse permanent employees for these shoes in the amount of up to \$175 each fiscal year if purchased (subject to receipt). Reimbursement for rubber galoshes may also be included in this \$175 total. If no receipt for reimbursement is submitted by June 1, a \$55 allowance will be paid by July 15 as payment for the previous fiscal year. The Appraiser shall also be eligible for boot allowance or reimbursement.

49.3 Engineering Department full-time field employees assigned to construction projects and survey crews will be provided a biennial issue of standard rain gear, in even-numbered years, consisting of a rain jacket and bib-overalls.

49.4 Engineering Department full time field employees assigned to construction projects and survey crews shall be provided the following:

- (a) One (1) Carhartt blanket-lined, fingertip length jacket with hood will be provided every two (2) years if needed.
- (b) One (1) pair Carhartt bib-overalls as needed.

50.0 - ALCOHOLIC BEVERAGES

50.1 The consumption of alcoholic beverages during working hours is prohibited. The phrase "working hours" is intended to cover coffee breaks but not meal periods. Employees are prohibited from transporting or storing alcoholic beverages in City vehicles or on City premises for purpose of personal use. Employees are prohibited from appearing for work under the influence of alcoholic beverages. Employees violating this rule may be subject to disciplinary action up to and including discharge.

51.0 - PENSIONS

51.1 The Pension Agreement in effect between the parties shall remain in full force and effect for the term of this Agreement except as modified by the changes below.

- (A) Deferred retirement eligibility is five (5) years of credited service for vesting.
- (B) Extended automatic pay retirement death benefit coverage to a surviving spouse of a deceased former employee who is separated from employment and is eligible for a deferred pension, per Section 28A of the Royal Oak retirement Ordinance No. 76-7 as amended. (Section 9 of Ordinance No. 91-4, an Ordinance Establishing a Revised Retirement System.)
- (C) Employees may retire at age fifty-five (55) with twenty-five (25) years of credited service or age sixty (60) with five (5) years of credited service.
- (D) Retirement shall be allowed at age 55 with 20 years of service and age 50 with 25 years of service.
- (E) The City may switch to the MERS pension system at its discretion. Prior notification will be provided to the bargaining unit. Such conversion will not result in the loss of benefits to members of the bargaining unit.
- (F) A Defined Contribution Plan will be established for all new hires as of July 1, 2007, which will either be through MERS or ICMA or another carrier at the City's sole discretion. The contribution rate will be 7% for the Employer and 5% for the Employees. Vesting will be seven (7) years under this plan.

51.2 **Annuity Withdrawal:** Any member who retires pursuant to Section 16, 17, 19 or 20 of the Retirement Ordinance may irrevocably elect, prior to the effective date of retirement but not thereafter, to be paid the accumulated contributions standing to the member's credit in the Reserve of Employee contributions - plus 3% interest. Upon this election and the payment of the accumulated contributions, the retiring member's monthly pension shall be reduced by an amount which is the actuarial equivalent of the sums withdrawn. The actuarial equivalent shall be determined on the basis of the interest rate established by the Pension Benefit Guaranty Corporation for immediate annuities, as of the first day of the fiscal year in which the annuity is withdrawn. A retiring member and his/her spouse, if any, shall, if possible, jointly participate in a meeting with City representatives prior to the election at which the effects of the annuity withdrawal will be explained.

51.3 Effective July 1, 2000, the employee's pension contribution from compensation shall be 2% to FICA limit and 4% thereafter of pension wages.

51.4 Effective July 1, 2000, the amount of the annual level straight life pension, as described in Section 22 (e) of the Retirement Ordinance, shall be equal to the retiring member's credited service multiplied by 2.5% of the retiring member's final average compensation (FAC) for the first 20 years of service and 2.2% per year thereafter. The maximum retirement allowance shall be 75% of FAC, with no social security offset. FAC shall be defined as the best two (2), of the last ten (10) years of service. FAC shall include sick leave incentive pay in addition to salary

and longevity pay, plus up to 48 hours from the employee's sick leave bank. Effective July 1, 2002, the sick leave incentive roll-in shall increase from 48 to 96 hours maximum (two years not divided by 2), and the 48 hours from the sick leave bank shall be eliminated.

51.5 Retirees shall have \$4,000 Life Insurance.

51.6 Members of the bargaining unit as of July 1, 2005 shall be permitted to purchase from six (6) months up to three (3) years of service credit with the City for active-duty military, full-time government service rendered prior to employment with the City, or lay-off time from the City. Members of the bargaining unit shall have up to June 30, 2006 to commit for the purchase of said service credit and shall have until June 30, 2008 to complete the purchase of said time. If payment is not completed, credit shall be awarded pro-rata. In the event the member deceases prior to June 30, 2008, the employee's spouse shall have the option to complete said payments within 30 days of the death. Purchase of said military time may begin after January, 2006 and may be by means of payroll deduction. Time purchased shall not be subject to the annuity withdrawal provision under Section 51.4. Service credits purchased under this provision shall have no application to any other provision of the collective bargaining agreement. The purchase of additional time under this option cannot result in total time purchased via this and previous options of more than three (3) years.

52.0 - PROFESSIONAL FEES

52.1 Nothing in this agreement shall be construed to limit or impair the right of the City to exercise its own discretion on the payment of either professional fees or professional dues for Association members.

53.0 – PARKING

53.1 The City shall provide free parking to employees within a reasonable distance.

54.0 - PAST PRACTICES

54.1 There are no understandings or agreements or past practices which shall be binding on either the City or the Association other than the written agreements enumerated or referred to within the body of this Agreement. No further agreement shall be binding on either the City or the Union until it has been put in writing and signed by both the City and the Association as either an amendment to this Agreement or a letter of understanding signed by both parties.

55.0 - SEPARABILITY OF CONTRACT

55.1 If, during the life of this Agreement, any of the provisions contained herein are held to be invalid by operation of law or by a tribunal of competent jurisdiction, or if compliance with or enforcement of any provisions shall be restrained by such tribunal pending a final determination as to its validity, the remainder of this Agreement shall not be affected thereby. In the event any provision herein contained is so rendered invalid, upon written request by either party hereto, the management and the Association shall enter into collective bargaining for the purpose of negotiating a mutually satisfactory replacement for such provision.

56.0 - WAIVER OF BARGAINING DURING CONTRACT TERM

56.1 The City and the Association, for the life of this Agreement, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated, to bargain collectively with respect to any subject or matter not specifically referred to, or covered in this Agreement, even though such subjects or matter may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed the Agreement.

57.0 - CONTRACT PRINTING

57.1 By mutual agreement, the Human Resource Department will have this contract printed and the costs shall be split equally between the City and the Association.

58.0 - TERM OF AGREEMENT

58.1 This Agreement shall become effective upon ratification by the parties and shall continue in effect until June 30, 2010 provided further that those sections specifically providing for no reopening until a specified time, shall be considered in effect until said specified time expires.

THE EMPLOYER AGREES that all conditions of employment relating to wages, hours of work, overtime differentials and general working conditions shall be maintained at not less than the highest minimum standards in effect at the time of the signing of this Agreement, and that the conditions of employment shall be improved wherever specific provisions for improvement are made elsewhere in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day, month and year first above written.

WITNESSES:

Cathy Pinkos
CATHY PINKOS

Gretchen E. Osim
Gretchen E. Osim

CITY OF ROYAL OAK

By James B. Ellison
James B. Ellison, Mayor

And Melanie Halas
Melanie Halas, City Clerk

PROFESSIONAL & TECHNICAL EMPLOYEES' ASSOCIATION

By Jeff Mast
Jeff Mast, President

And Steve Cito
Steve Cito, Vice President

And _____

And _____

Signed this 19th day of October, 2009.