

1935

STATE OF MICHIGAN

MICHIGAN EMPLOYMENT RELATIONS COMMISSION

POLICE OFFICERS LABOR COUNCIL,
COMMAND OFFICERS UNIT

MERC Case No.: D98 G-1100

Petitioner-Union,
and

CITY OF AUBURN HILLS,

Respondent-Employer.

STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
CLERK OF COURT
00 JUL -7 AM 10:29

APPEARANCES:

For the Employer:

Patrick Greve, Employer Delegate
Steven J. Fishman, Attorney

For the Union:

Rick Berninger, Union Delegate
Mark P. Dumas, Attorney

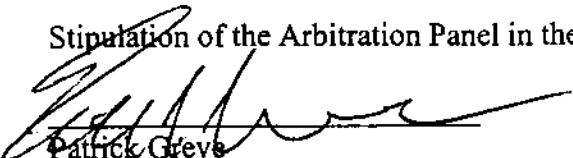
Chairperson: James A. Mackraz

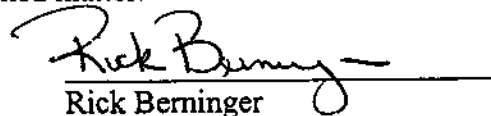
STIPULATED ARBITRATION AWARD

Upon stipulation of the Union and the Employer on May 25, following a Pre-Hearing Conference held on April 6, 2000 by Arbitration Panel Chairperson, James A. Mackraz, and the Parties' Arbitration Panel Delegates, as evidenced by the signatures of the undersigned,

IT IS HEREBY ORDERED that the attached Agreement represents the Award by

Stipulation of the Arbitration Panel in the above-captioned matter.


Patrick Greve
Employer Delegate


Rick Berninger
Union Delegate


James A. Mackraz
Arbitration Panel Chairperson

AGREEMENT

between the

CITY OF AUBURN HILLS

and the

POLICE OFFICERS LABOR COUNCIL OF MICHIGAN

COMMAND OFFICERS UNIT

Effective January 1, 1999 through December 31, 2002

00 JUL -7 AM 10:29
STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
CHICAGO OFFICE

Index

POLCM - COMMAND OFFICERS CONTRACT

Agreement	Page
Article I - RECOGNITION	1
Article II - NON-DISCRIMINATION	2
Article III - UNION SECURITY	2
Article IV - DUES AND SERVICE FEES	2
Article V - SPECIAL CONFERENCES	3
Article VI - BASIS OF REPRESENTATION	4
Article VII - GRIEVANCE PROCEDURE	4
Article VIII - DISCIPLINE AND DISCHARGE	6
Article IX - BULLETIN BOARD AND FILE CABINET	7
Article X - SENIORITY	7
Article XI - ACADEMIC PROBATION	8
Article XII - LAYOFF DEFINED	9
Article XIII - SUB-CONTRACTING	9
Article XIV - RECALL PROCEDURE	9
Article XV - TRANSFERS & PROMOTIONS	10
Article XVI - MAINTENANCE OF CONDITIONS	10
Article XVII - SAVINGS CLAUSE	10
Article XVIII - PERFORMANCE EVALUATION RATINGS	10
Article XIX - LAW ENFORCEMENT PROFESSIONAL LIABILITY INSURANCE	11
Article XX - GENERAL CONDITIONS	11

Article XXI - NO STRIKE - NO LOCKOUT	11
Article XXII - ECONOMIC MATTERS	11
Article XXIII - RATIFICATION	12
APPENDIX A WAGES AND BENEFITS	13
Section 1. Uniform allowance.	13
Section 2. Life Insurance.	13
Section 3. Health Insurance	13
Section 4. Dental	14
Section 5. Holidays.	14
Section 6. Vacations.	15
Section 7. Longevity Pay.	16
Section 8. Duty Connected Injury Pay.	16
Section 9. Court Time.	17
Section 10. Overtime.	17
Section 11. Work Schedule	18
Section 12. Staff Assignments	19
Section 13. Jury Duty	19
Section 14. Tuition Reimbursement	19
Section 15. Sick Leave	19
Section 16. Non-Duty Connected Short Term Disability (STD) and Non-Duty Connected Long Term Disability (LTD).	20
Section 17. Fringe Benefit Continuation and Limitation	20
Section 18. Funeral Leave	21
Section 19. Personal or Free Days	21
Section 20. Leave of Absence	22
Section 21. Pension	22
Section 22. Optical Plan	24
Section 23. Salaries	24
Section 24.	25
APPENDIX B DUES AUTHORIZATION FORM	1
APPENDIX C DRUG TESTING POLICY	1
I. PURPOSE	1
II. POLICY	1
III. DEFINITIONS	1
IV. PROCEDURES/RULES	2
APPENDIX D RETIREE HMO COVERAGE	10

APPENDIX E SERGEANT AND LIEUTENANT PROMOTIONAL PROCESS	11
I. PURPOSE	11
II. GOALS	11
III. PROCEDURE	11
IV. PROMOTIONAL LIST	12
V. PSYCHOLOGICAL EXAMINATION	13
VI. FOLLOW-UP	13
APPENDIX F PPOM	14
APPENDIX G DEFINED CONTRIBUTION PLAN	16
LAST CHANCE AGREEMENT	

AGREEMENT

This Agreement is made and entered into on the ____ day of _____ 20__ by and between the City of Auburn Hills hereinafter referred to as the "Employer," and the Police Officers Labor Council of Michigan hereinafter referred to as the "Union." It is the desire of both parties to this Agreement to continue to work harmoniously and to promote and maintain high standards between the Employer and employees which will best serve the citizens of the City of Auburn Hills.

Article I - RECOGNITION

A. The Employer recognizes the Union as the exclusive representative of the employees of the Auburn Hills Police Department for the purposes of collective bargaining with respect to rates of pay, wages, hours of employment and other terms and conditions of employment, in the following bargaining unit for which they have been certified, and in which the Union is recognized as collective bargaining representative, subject to and in accordance with the provisions of Act 336 of the Public Acts of 1947, as amended.

All Command Officers and Detectives. Excluding the Chief of Police, Deputy Chief of Police and other employees of the Police Department of the City of Auburn Hills.

B. Management Rights - It is understood and agreed that the Employer has all the customary and usual rights, powers, functions and authority of management except as those rights, powers, functions and authority are specifically abridged or modified by this Agreement.

The Union recognizes the Employer's right to manage its affairs and direct its work force and within the existing framework of the Statutes of the State of Michigan to maintain the City of Auburn Hills in the County of Oakland as efficiently and at the lowest possible cost consistent with fair labor standards.

Nothing in this Agreement shall be construed to limit or impair the right of the City to exercise its rights in the following matters, when in its discretion it may determine it advisable to do any or all of the following:

- (1) to manage its business generally;
- (2) to decide the number and location of City buildings;
- (3) to decide all machines, tools and equipment to be used;
- (4) to move or remove any City facility;
- (5) to maintain order and efficiency;
- (6) to determine the qualifications of employees;
- (7) to determine the job content not in conflict with this Agreement;
- (8) to determine the number of hours to be worked not in conflict with this Agreement;
- (9) to make such reasonable rules and regulations, not in conflict with this Agreement as it may from time to time deem best for the purpose of maintaining order, safety and effective

operation of the City, and after two weeks advance notice thereof to the Union and the employees to require compliance therewith by employees.

Article II - NON-DISCRIMINATION

The Employer and the Union reaffirm their commitments that there shall be no discrimination in hiring or in any term or conditions of employment because of race, religion, color, national origin, age, sex, height, weight, marital status, handicap or disability in accordance with State or Federal law.

Article III - UNION SECURITY

A. New employees who desire membership in the Union shall confirm their desire to join by initiating their Union application form and dues deduction authorization forms within thirty (30) calendar days after the effective date of their employment with the City.

B. Any person who is employed with the City and is covered by this Agreement who is not a member of the Union and who has not made application for membership within thirty (30) calendar days after the effective date of this Agreement shall, as a condition of employment, pay to the Union each month a service charge as a contribution toward the administration of this Agreement in an amount equal to the regular Union membership dues. Employees who fail to comply with this requirement shall be discharged by the Employer within thirty (30) calendar days after receipt of written notice to the Employer from the Union.

C. Any person who becomes an employee of the City after this Agreement is in effect and is covered by this Agreement who is not a member within thirty (30) calendar days from the date of employment shall, as a condition of employment pay to the Union each month a service charge as a contribution toward the administration of this Agreement in an amount equal to the regular monthly Union membership dues. Employees who fail to comply with this requirement shall be discharged by the Employer within thirty (30) calendar days after receipt of written notice to the Employer from the Union.

Article IV - DUES AND SERVICE FEES

A. The Employer agrees to deduct from the wages of bargaining unit employees, all Union membership dues, initiation fees, and assessments uniformly required, if any, as provided in a written authorization in accordance with the standard form used by the Union, provided that the said form shall be executed by the employee.

B. The amount of dues and initiation fees shall be uniform for those authorizing dues deduction. Each bargaining unit employee and the Union hereby authorize the City to rely upon the Union regarding the amounts to be deducted and the legality of the adopting action specifying such amounts of the Union dues and initiation fees. The dues that are deducted from the members pay will be forwarded to the Police Officers Labor Council, 667 E. Big Beaver Road, Suite 205, Troy, Michigan 48083.

C. Service Fee Deduction

The Employer agrees to deduct from the wages of any bargaining unit employee who is not a member of the Union all Union service fees as provided in a written authorization in accordance with the standard form used by the Union provided that the said form shall be executed by the employee.

D. Dues Check-Off Card

See copy of form, attached hereto as Appendix B.

E. Indemnification

1. The Union agrees to indemnify and hold the Employer harmless with respect to any and all liabilities, damages, suits, demands, claims, and expenses of any and every character including recovery of actual defense costs, including actual attorney fees incurred by the Employer arising out of or resulting from the Union's demand that the Employer comply with Articles III and IV. It is expressly understood and agreed that the Articles III and IV of the Contract are for the benefit of the Union and not the Employer.

2. In addition to the above, in the event a claim, demand, or lawsuit of any kind or character is filed by an employee, his/her executors, assigns, heirs, or any other third party, on account of the Employer actions in administering Articles III and IV of the Contract, the Employer shall have the right to hire, retain, or consult legal representation of its own choosing and as herein above described, the Union shall be obligated to reimburse all expenses incurred by the Employer in defending such actions as indicated in Paragraph 1 above.

Article V - SPECIAL CONFERENCES

(a) Special Conferences for important matters will be arranged between the Chief Steward and the Employer or its designated representatives upon the request of either party. Such meetings shall be between two (2) but not more than three (3) representatives of the Employer and two (2) but not more than three (3) representatives of the Union. Arrangements for such special conferences shall be made in advance and an agenda of the matters to be taken up at the meeting shall be presented at the time the conference is requested. Matters taken up in special conferences shall be confined to those included in the agenda. Conferences shall be held during regular office hours. The members of the Union shall not lose time or pay for the time spent in such special conferences. This meeting may be attended by a representative of the Council and/or a representative of the International Union and may be attended by legal counsel for the Employer.

(b) The Union representatives may meet at a place designated by the Employer on the Employer's property for at least one-half (1/2) hour immediately preceding such special conference with the representatives of the Employer for which a written request has been made.

Article VI - BASIS OF REPRESENTATION

Section 1. The Union shall have the right to select a Chief Steward and an alternate steward.

The Chief Steward will be permitted to leave his work, after obtaining approval of his department head and recording his time, for the purpose of adjusting grievances in accordance with the grievance procedure and for reporting to the grievant a change in status of his grievance. Permission for the Chief Steward to leave his work station will not be unreasonably withheld. The Chief Steward will report his time to his department head upon returning from a grievance discussion.

The privilege of the Chief Steward to leave his work during working hours, without loss of pay, is extended with the understanding that the time will be devoted to the prompt handling of grievances and will not be abused, and that he will continue to work at his assigned job at all times except when permitted to leave his work to handle grievances, subject to grievance procedure, Step 1. All other Union business shall be conducted after working hours.

Article VII - GRIEVANCE PROCEDURE

Section 1. A grievance is defined as a complaint by an employee concerning the interpretation, application, or violation of any provisions of this Agreement. The procedure for adjusting a grievance shall be as follows:

Step 1: An employee having a grievance shall first discuss the matter with his supervisor with the object of resolving the matter informally. Employees may request Union representation during such discussion.

Step 2: Any grievance not settled in Step 1 shall be reduced to writing, signed by the aggrieved employee and presented by the Committee member to the Chief of Police within five (5) days of the occurrence, or, within five (5) days of when the grievant had knowledge of the event giving rise to the grievance. The steward and the Chief of Police shall, within five (5) days after receiving the grievance, meet to discuss the grievance, and the Chief of Police shall give his written response within five (5) days after the meeting.

Step 3: Any grievance not settled in Step 2 shall be submitted by the Union Committee member to the City Manager or his designee within five (5) days after receipt of the Step 2 answer. The City Manager or his designee shall within five (5) days after receiving the grievance meet with the Chief Steward and Labor Council field representative to discuss the grievance. The City Manager or his designees shall render a written response within five (5) days after the meeting.

Step 4: If the grievance remains unsettled, the Union may, within five (5) days after receipt of the Step 3 answer, request either mediation or arbitration by submitting written notice to the City Manager or his designee. If mediation is requested and if the City mutually agrees the grievance shall, within ten (10) days after receipt of the Step 3 answer, be submitted to the National Center for Dispute Settlement (NCDS) with a mutual request for submission to mediation pursuant to NCDS Grievance Mediation Rules.

Step 5: If the grievance remains unsettled after mediation, or if the parties did not mutually agree upon mediation pursuant to Step 4, then within twenty (20) days after the conclusion of mediation, or within twenty (20) days after the Step 3 answer, whichever is applicable, the Union may file a Demand for Arbitration with the Federal Mediation and Conciliation Service (FMCS) of their desire to obtain a panel of seven arbitrators. Either party shall have the option of requesting a second and final panel of even (7) arbitrators from the FMCS. The arbitrator shall be selected from said panel or panels by alternately striking names, with the Union being the first party to strike a name. The power of the Arbitrator stems from this Agreement and his function is to interpret and apply this Agreement and to rule upon alleged violations thereof. He shall have no power to add to, subtract from, or modify any of the terms of this Agreement. The fees and expenses of the arbitrator shall be equally shared by the parties.

The decision of the arbitrator shall be final and binding on both the Employer and the Union.

Section 2.

(a) Any grievance not appealed within the time limits from one step of the grievance procedure to the next will be considered settled based upon the previous decision.

(b) Any grievance not answered by management within the time limits shall be considered appealed to the next step.

(c) Any of the steps of the grievance procedure as well as the time limits may be waived by mutual agreement in writing.

Section 3.

(a) Saturdays, Sundays and holidays are excluded in the determination of the time limits specified in this article.

(b) Any and all grievances resolved at any step of the grievance procedure prior to arbitration shall be final and binding on the City, the Union, and any and all unit employees involved in the particular grievance.

Article VIII - DISCIPLINE AND DISCHARGE

The City has the right to discipline and discharge employees for just cause. In any case where employee disciplinary action is necessary, the following disciplinary options are available to the Department.

- A. Oral Reprimand
- B. Written Reprimand
- C. Suspension
- D. Discharge

Section 1. Appeals Process - All cases of discipline may be processed as a grievance, beginning with Step 2 of the grievance procedure.

Section 2. The Employer agrees that upon imposing discipline B-D, the Union shall be notified in writing of the action taken only upon request of the employee. The Employee shall be given a copy of any written disciplinary action.

Section 3. Investigation Interview. Whenever a member is under investigation and subjected to interview by his Supervisor and/or Chief of Police which could lead to disciplinary action, discharge, or criminal action or charges, such investigation interview shall be conducted under the following conditions:

(a) The employee shall be informed that he has the right to Union representation during such interview, provided however, that the interview shall not be unreasonably delayed.

Section 4. In the event disciplinary action B-D is imposed, the employee shall be entitled to Union representation. The employee shall be informed of his right to Union representation prior to the time such disciplinary action is imposed.

Section 5. If any employee is ordered to make an oral or written statement regarding the employee's alleged criminal conduct, he shall comply subject to the receipt of Miranda or Garrity warnings or both and shall be given a reasonable time to act in accordance with such rights. After an employee is ordered to make a written statement in response to such alleged criminal misconduct on his part, he shall have the opportunity to confer with his Union representative prior to complying with the order.

Section 6. Members are permitted to engage in political activity only when they are in an off-duty capacity and not in uniform.

Article IX - BULLETIN BOARD AND FILE CABINET

A. The Employer shall assign a bulletin board which shall be used by the Union for posting notices bearing the written approval of the Chief Steward, and which shall be restricted to:

- (a) Notices of Union recreational and social affairs;
- (b) Notices of Union elections;
- (c) Notices of Union appointments and results of Union elections;
- (d) Notices of Union meetings;
- (e) Other notices of bona fide Union affairs which are not political or libelous

in nature.

The Union will assume full responsibility for all material placed on the bulletin board.

B. The City shall provide the Union with space for a file cabinet which shall be provided by the Union and shall be the Union's property.

Article X - SENIORITY

An employee promoted from within the unit, department or newly hired shall be regarded as on probation for the first twelve (12) months of continuous employment in their new classification within this bargaining unit. Upon satisfactory completion of the probationary period the employee shall acquire seniority which shall date back to the date of hire into the department.

Probationary officers newly hired by the Department who are subsequently terminated by the City during the probationary period shall not have access to the grievance procedure concerning any aspect of such termination.

Probationary officers promoted from within the department who are subsequently demoted by the City during their probationary period shall have full accumulated seniority as provided in the Command Union Labor Agreement then in effect, but shall not have access to the grievance procedure of this Agreement concerning any aspect of such demotion.

An Officer who voluntarily returns to the Patrol Unit shall return to the rank of Patrolman with full accumulated seniority as provided in the Patrol Union Labor Agreement.

An Officer who voluntarily or involuntarily returns to the Patrol Unit shall, notwithstanding his seniority, be assigned to a duty schedule by the department for the duration of the shift selection period then in progress.

When an Employee acquires seniority, his name will be placed on the seniority list. Seniority order shall be based upon rank, date in rank, and date of hire into department. The Employer will keep the seniority list up-to-date at all times and in the event of change, will provide the local union with an up-to-date copy at least every six (6) months.

Section 1. Seniority Lists:

(a) Seniority shall not be affected by the race, sex, marital status or dependents of the employee.

(b) The seniority list on the date of this Agreement will show the names and job titles of all Employees entitled to seniority.

Section 2. Loss of Seniority: An employee shall lose seniority for the following reasons only:

(a) He resigns.

(b) He is discharged and the discharge is not reversed through the grievance procedure set forth in this Agreement.

(c) He is absent for three (3) consecutive working days without notifying the Employer. In the event the Employee is incapable or unable to advise the Employer for reasons or causes beyond the control of the Employee, an exception shall be made, provided the Employee has acceptable written reasons. After such absence, the Employer will send written notification to the Employee at his last known address that he has lost his seniority, and his employment has been terminated. If the disposition made of any such case is not satisfactory, the matter may be referred to the grievance procedure.

(d) If he does not return to work when recalled from layoff as set forth in the recall procedure. In proper cases, exceptions shall be made.

(e) Return from sick leave and leaves of absences will be treated the same as (c) above.

(f) He retires.

Article XI - ACADEMIC PROBATION

Candidates who do not possess a Bachelors Degree at the time of promotion to the rank of Lieutenant or Sergeant shall remain on Academic Probation in their rank until they have successfully completed a Bachelors Degree. They must agree to make steady and purposeful progress toward the Bachelors Degree by taking no less than three (3) college semester credit courses per calendar year, of no less than three (3) credit hours each at an accredited college or university (except with Chief of Police permission). Prior approval of courses and curriculum to

be obtained from the Chief of Police and proof of successful course completion must be submitted. Credit earned from life experience, course challenge, credit transfer and seminar attendance is excluded. A Lieutenant or Sergeant on Academic Probation who fails to meet these requirements, absent a documented, serious reason, will be demoted.

Article XII - LAYOFF DEFINED

A. The word "layoff" means a reduction in the working force.

B. If it becomes necessary for a layoff, the following procedure will be mandatory. Probationary employees will be laid off first. Seniority employees within a department classification will be laid off according to low seniority. Any seniority employee so removed from his classification may exercise his seniority over a lower seniority employee in any other department, where he can perform the job. Employees exercising bumping rights shall bump an equal or lower classification.

C. In proper cases, exceptions may be made. Disposition of those cases will be a proper matter for a special conference and if not resolved, it then shall be subject to the grievance procedure.

D. Employees to be laid off for an indefinite period of time shall have at least seven (7) calendar days notice of layoff. The local Union's secretary shall receive a list from the Employer of the Employees being laid off on the same date the notices are issued to the employees.

Article XIII - SUB-CONTRACTING

1. The Employer agrees that in the event any work presently performed exclusively by the bargaining unit Employees is moved outside the bargaining unit, the Employer will discuss the movement of work with the Union in order to provide for the protection of the seniority of the employees involved. In no event shall any seniority employee who customarily performs the work in question be laid off as a direct or indirect result of work being performed by any outside contractor. The foregoing shall not affect the right of the City to continue arrangements currently in effect; nor shall it limit the fulfillment of warranty work which a vendor must perform to prove out equipment.

Article XIV - RECALL PROCEDURE

When the working force is increased after a layoff, the Employees will be recalled according to seniority in reverse order of layoff. Notices of recall shall be sent to the Employee at his last known address by telegram or certified mail. If the Employee fails to respond within five (5) working days or fails to report for work within ten (10) working days of the notice of recall he/she shall be considered a voluntary quit unless unusual circumstances are the cause.

Employees shall notify the Employer of any change of address or movement during a layoff period.

Article XV - TRANSFERS & PROMOTIONS

A. If an employee is transferred to a position within the Police Department not included in the bargaining unit and is thereafter transferred again to a position within the bargaining unit, he shall have accumulated seniority while working in the position to which he was transferred. Employees transferred under the above circumstances shall retain all rights accrued for the purpose of any benefits provided for in the Agreement.

B. Promotions to the rank of Sergeant and Lieutenant shall be made in accordance with the procedures outlined in Appendix E to this agreement.

Article XVI - MAINTENANCE OF CONDITIONS

Wages, hours, fringe benefits, terms and conditions of employment in effect at the execution of the Agreement shall, except as provided herein, be maintained during the term of this Agreement. No employee shall suffer a reduction in benefits as a consequence of execution of this Agreement unless specifically altered or reduced by the written terms of this Agreement.

Article XVII - SAVINGS CLAUSE

If any article or section of this contract or any riders thereto should be held invalid by operation of law or by any tribunal or competent jurisdiction, or if compliance with or enforcement of any article or section should be restrained by such tribunal pending a final determination as to its validity, the remainder of this contract and any rider thereto, or the application of such article or sections to persons or circumstances other than those as to which it has been held invalid or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

In the event that any article or section is held invalid or enforcement of or compliance with which has been restrained, as above set forth, the parties affected thereby shall enter into immediate collective bargaining negotiations, upon the request of the Union or Employer, for the purpose of arriving at a mutually satisfactory replacement for such article or section during the period of invalidity or restraint. If the parties do not agree on a mutually satisfactory replacement, either party shall be permitted all legal or economic recourse in support of its demands notwithstanding any provision in this contract to the contrary.

Article XVIII - PERFORMANCE EVALUATION RATINGS

Each Employee shall be rated by his or her immediate supervisor.

Upon completion of the rating, Employees will be personally informed of their respective evaluations by the immediate Supervisor who prepared the evaluation. The original copy shall be placed in the Employee's personnel file.

Any Employee who wishes to review his performance evaluation with the Chief of Police must make a written request to the Chief of Police within two weeks of receiving his copy of the evaluation and must identify each area he wishes to review and cite a brief basis for reviewing that area. The matter will be discussed with the Chief of Police as expeditiously as circumstances permit. Upon request, the employee may have a Union representative at the meeting with the Chief of Police.

It is specifically agreed that no aspect of this Article shall be subject to the grievance procedure.

This Article shall remain in effect for the duration of the Agreement at which time it shall automatically terminate.

Article XIX - LAW ENFORCEMENT PROFESSIONAL LIABILITY INSURANCE

The City agrees to maintain the present liability insurance coverage in effect so long as it is reasonably available. A certificate of insurance will be provided annually to the Union.

Article XX - GENERAL CONDITIONS

Section 1. The re-employment rights of the Employees and Probationary Employees who are veterans will be limited by applicable laws and regulations.

Section 2. When any position not listed on the wage schedule is filled or established, the City may designate a job classification and rate structure for the position. In the event the Union does not agree that the rate is proper, the Union shall have the right to submit the issue as a grievance through the grievance procedure.

Article XXI - NO STRIKE - NO LOCKOUT

Under no circumstances will the Union cause or authorize or permit its members to cause, nor will any member of the bargaining unit take part in any strike, sit-down, stay-in or slowdown or any violation of any State Law. 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 and all such persons shall immediately cease the offending conduct.

Article XXII - ECONOMIC MATTERS

The Agreement between the parties on economic matters are set forth in Appendix A attached hereto and are incorporated into this Collective Bargaining Agreement, subject to the terms and conditions hereof.

Article XXIII - RATIFICATION

Upon ratification of this contract the City of Auburn Hills and the officers of the Police Officers Labor Council of Michigan (POLCM) shall immediately institute a Drug Testing Policy as found in Appendix C.

APPENDIX A WAGES AND BENEFITS

Section 1. Uniform allowance.

(a) Effective upon ratification all uniformed Command Officers and Detectives will receive a monthly allowance in the amount of \$65.00 per month to be used for the purchase and cleaning of uniforms. Monthly credit will be earned when an employee is in pay status more than one half the "pay status days" in a month. Payments will be made to the employee following the end of each quarter.

Section 2. Life Insurance.

The City shall continue to pay the premium to maintain life insurance in the amount of one and one half (1 1/2) times annual salary for employees with less than five (5) years of service, and two (2) times annual salary for employees with five (5) or more years of service.

Section 3. Health Insurance

(a) Until December 31, 1996, the Employer shall continue the hospitalization and medical insurance for the employee and his family, with coverage under the American Community PPOM/80-20 plan at an annual deductible amount of \$250.00 per person and \$500.00 per family for out of network services only, and with an annual out-of network co-pay limit: 20% of \$3500 per person or \$7000 per family, to maximum deductible of \$950 per person, \$1900 per family.

The Employer shall make a flexible benefit plan available for the payment of the deductibles with pre-tax dollars.

(b) Effective January 1, 1997, the Employer shall provide hospitalization and medical insurance for the employee and the employee's family, with coverage under the Blue Care Network HMO. Effective January 1, 2000 unit members shall have the option to select hospitalization and medical insurance coverage under the American Community Plan #61543 the same to be provided by the employer and described in Appendix F of this agreement.

(c) The City agrees that the Union will be notified and involved in evaluating any new hospital coverage before the coverage is implemented.

(d) For Command Officers and Detective employees who retired prior to January 1, 1997, and who were at least 55 years of age at the time of retirement (normal retirement age, as defined in the "Pension Plan"), and who have no other source of medical insurance, the City will provide medical insurance coverage in an amount up to \$200.00 per month towards premiums for such medical insurance. This medical insurance coverage is available for the retiree and spouse only, and will not cover any children. Upon the death of the retiree, the City will continue to make available the medical insurance coverage to the surviving spouse in an amount up to \$200.00 per month. The insurance premiums will be paid directly to the insurance carrier in an amount up to \$200.00 per month.

(e) For Command Officers and Detective employees who retire on or after January 1, 1997, and who are at least 55 years of age at time of retirement (normal retirement age, as defined in the "Pension Plan"), the City will provide a Health Maintenance Organization (HMO). This medical insurance is available for the retiree and spouse only, and will not cover any children. Upon the death of the retiree, the City will continue to make available the medical insurance coverage to the surviving spouse. The City shall have sole discretion in selecting the HMO, however, the plan must provide for a minimum benefit as found in Appendix D.

Section 4. Dental

Effective with this Agreement, each employee shall be covered by a Delta Dental Family Plan, Class I and Class II, with an annual benefit amount of \$1,000 per family member and an 80/20 co-pay. The co-pay for major restorations (caps, crowns, etc.) to remain at 50/50. Effective January 1, 2000, orthodontics coverage shall be included to provide a \$1,000 lifetime limit per family member and a 50/50 co-pay.

Section 5. Holidays.

(a) The following ten (10) holidays shall be recognized and observed as paid holidays:

Good Friday	Day after Thanksgiving
Memorial Day	Day before Christmas
Fourth of July	Christmas Day
Labor Day	New Year's Eve Day
Thanksgiving Day	New Year's Day

For the above holidays worked or not worked, employees shall be paid for said holidays in one lump sum in the first pay day in December each year.

(b) In addition to the above ten (10) holidays, an employee shall be entitled to take three (3) additional floating holidays with pay on days selected by the employee, provided, however, that such floating holidays shall require 48 hours advance notice and shall not be used on a regular holiday listed in Subsection (a). Emergency requests of less than 48 hours may be granted at the discretion of the Department. Any of the three floating holidays not used by the employee shall be paid to the employee in December. After January 1, 2000, any of the three floating holidays not used by the employee by December 31 of each year shall be forfeited without pay and shall not be carried forward to the next year.

(c) Employees who work their regularly scheduled eight (8) hour shift on a holiday will be paid at the rate of time and one-half.

Section 6. Vacations.

(a) Employees shall qualify for vacation on January 1 of each calendar year in accordance with the following schedule except Sergeants promoted prior to January 1, 1994 shall receive a minimum of twenty (20) days vacation:

1 year but less than 3 years	- 10 days
3 years " " " 4 "	- 13 days
4 years " " " 5 "	- 14 days
5 years " " " 6 "	- 15 days
6 years " " " 7 "	- 16 days
7 years " " " 8 "	- 17 days
8 years " " " 9 "	- 18 days
9 years " " " 10 "	- 19 days
10 years " " " 11 "	- 20 days
11 years " " " 12 "	- 21 days
12 years " " " 13 "	- 22 days
13 years " " " 14 "	- 23 days
14 years " " " 15 "	- 24 days
15 years or more	- 25 days

This vacation schedule shall take effect upon ratification of this Agreement and shall not be retroactive. Thus, the amount of vacation to which an employee is entitled in his present anniversary year shall be determined on a pro-rata amount of the schedule set forth in the previous contract together with a pro-rata amount earned under this schedule.

(b) Employees are encouraged to take their vacations, but 40 hours of an employee's vacation may be carried forward from one anniversary year into the next, but such "carry-forward bank" shall never exceed 40 hours.

(c) For purposes of scheduling, vacations will be taken in 40 hour blocks with the exception that an employee having five (5) or more years of completed service may take up to 96 hours in 8 hour blocks (i.e.: one day at a time).

(d) Vacation requests shall be submitted in writing to the Chief of Police prior to April 30th of each calendar year. All vacation requests after April 30 shall be granted on first request basis.

(e) Employee's first and second vacation picks shall be a minimum of forty (40) hours and a maximum of ninety-six (96) hours. On first vacation pick all employees will be granted a vacation on the basis of seniority. Employees will then make a second vacation pick with each employee granted a vacation by seniority provided it does not interfere with any previously granted vacation.

(f) All vacations shall require prior approval and shall be at the discretion of the Chief of Police.

Section 7. Longevity Pay.

Upon completion of the appropriate years of service employees shall receive longevity pay on their anniversary date or on December 1. Employees shall notify the Chief of Police in writing as to which date they wish to receive longevity pay.

The following schedule shall apply:

	Lieutenants and Sergeants	Detectives
3 years	\$ 500	\$ 400
6 years	\$1000	\$ 900
9 years	\$1500	\$1350

Longevity pay shall not be available to employees hired subsequent to January 1, 1985.

Section 8. Duty Connected Injury Pay.

(a) The employee shall immediately notify his supervisor of any duty connected injury and shall comply with other Department regulations concerning injury reports.

(b) Provisions of the Michigan Worker's Compensation Act shall apply to all duty connected accidents or injuries of the employees in the line of duty.

(c) The employee shall receive 80% of his gross pay exclusive of all deductions for duty connected injuries for up to one (1) year in conjunction with Worker's Compensation.

(d) No employee will be entitled to compensation insurance during periods of convalescence from injuries received in the regular performance of his duties in addition to his regular compensation. Any compensation insurance due to an employee of the City under the provisions of the City Compensation Insurance Policy during the convalescence period in which he is being paid his regular compensation shall be endorsed and paid to the City Treasurer by the employee.

(e) An employee who is unable to work due to duty connected injury shall be continued on the City's group medical insurance plan from the date of the injury until their normal retirement age as defined in the pension plan at which time they shall convert to the retiree medical coverage in effect at that time. However, should the employee become eligible to receive Medicare benefits, the City's obligation shall be limited to providing a Medicare supplement policy.

(f) qualifying employees or their applicable dependents shall be permitted to convert the present health plan to individual insurance policies pursuant to COBRA provisions in the event of termination or death. There shall be not more than a 2% administration fee.

Section 9. Court Time.

Employees who are required to be in court during non-working hours, shall be guaranteed a minimum of two (2) hours court time at time and one-half rates.

The City will compensate employees for travel time from the station to the court in a City vehicle on a schedule to be developed by the Department based upon distance and average travel time required. City vehicles are to be used only for court trips more than 12 miles one way. Prior approval of shift commander required.

Section 10. Overtime.

(a) Employees shall be eligible to receive one and one-half times their regular hourly rate in the following circumstances:

(1) Time worked in excess of eight (8) hours in any one day unless normally scheduled to work additional hours to make a total of forty (40) hours per week.

(2) Time worked in excess of forty (40) hours in any one week, except:

(i) During the fourteen (14) day period between semi-annual shift changes, in which payment of overtime shall be made for all hours in excess of eighty (80) in that fourteen (14) day period.

(ii) When members are scheduled for training or upon mutual agreement between the employer and employee(s).

(3) Employees called in for overtime will receive a minimum of two (2) hours at the time and one-half rate, provided however that employees who have arrived on the premises and are asked to start work early, or are already on the job and asked to stay over, shall receive pay at the time and one-half rate, but the two (2) hour minimum shall not apply.

(b) Holiday overtime.

Effective upon ratification, the City will pay double time to employees called in from leave days falling on the ten (10) regular holidays but not in the event of stay overs, with the exception that employees who are requested to stay over more than 2 hours beyond the regular eight hour shift shall receive double time for the eleventh and twelfth hour, and in the event the employee is requested to stay over more than 12 hours, he shall receive double time for all hours in excess of eight.

(c) Comp-Time Bank:

1. At the employees option, up to eighty (80) overtime hours per contract year may be credited to an overtime bank. Upon working the overtime the employees shall elect at the time to receive compensation or to apply the overtime hours to the Comp-Time Bank. Overtime hours not banked shall be paid in compensation. No more than eighty (80) comp-time hours per contract year may be banked or used.

2. Comp-time banks shall be paid off at the end of each calendar year, based upon hours accumulated in that year, and at the pay rate applicable when earned. Paychecks shall be issued the first pay day in January. The new year shall start a new bank.

3. Comp-time shall not be taken in less than two hours at a time. Comp-time can be taken only with the approval of the Chief of Police.

4. Comp-time shall be in full hours only. Partial hour requests will not be approved.

5. Employees may elect to take comp-time pay only in January, April, July and October of each year. Comp-time will be paid at the rate earned.

(d) Overtime will be offered on a seniority rotation system.

Section 11. Work Schedule:

(a) Work schedules showing the employees' shifts, work days and hours shall be posted in the Department at all times with two (2) consecutive days off in any seven (7) days.

(b) The regular hours of work each day shall be consecutive except that they may be interrupted by a 30 minute lunch period and two 15 minute breaks.

(c) Time Clocks: Police Officers are not required to punch a time clock.

Section 12. Staff Assignments.

(a) All non-probationary employees shall be permitted to pick their shifts within their classification every six (6) months on a rotating seniority basis whereby the senior officer in one six month selection moves to the bottom of the list for the next six months and the other officer moves up. The two most senior sergeants may not elect to work the same shift at any time when three (3) or more Sergeants have less than one year seniority unless approved by the Chief of Police.

(b) Command Officers may change shift with another Command Officer upon the approval of the Chief of Police.

Section 13. Jury Duty.

An employee required to serve on a Jury will suffer no loss of pay or benefits. The employee's regular paycheck shall be issued and the employee shall endorse over to the City the amount he receives for jury service. Employees reporting for jury service shall automatically transfer to the day shift for the duration of such service. In the event jury service is performed on an employee's regular leave days, the City shall not pay compensation pursuant to this section for such leave days. Employees released from jury service before noon are required to report for duty for the remainder of the day shift.

Section 14. Tuition Reimbursement.

The City shall reimburse the cost of tuition at an accredited educational institution in accordance with the following:

(a) The course(s) must be related to the job.

(b) Tuition reimbursement will not be made in advance. The employee will pay for the course and be reimbursed upon proof of completion of the course with a grade "C" or better, and the submission of a signed affidavit that the amount requested has not been requested or received from another source.

(c) City reimbursement will be for tuition only. Books, supplies and other expenses will be the employee's responsibility.

(d) Reimbursement will apply to active employees only and will require prior approval of the Director and City Manager. Reimbursement will be limited to \$800.00 per person per calendar year.

Section 15. Sick Leave.

(a) All employees covered by this Agreement earn and are credited with eight (8) hours sick leave for each month of service, not to exceed ninety-six (96) hours per year.

(b) Sick leave is provided to permit an employee to remain in pay status while absent from work because of:

1. Personal illness or injury.
2. Pregnancy.
3. Illness or injury in own family (mother, father, wife, husband, children, step-children).

(c) Accumulation of sick leave may not exceed thirty (30) days at the end of any contract year. Employees will be paid for all accumulated sick days over thirty at the end of the contract year.

(d) An absence of more than three (3) consecutive days shall require support of a doctor's signed statement upon returning to work.

(e) An employee upon termination by the City shall be paid for all unused accumulated sick days at straight time rates, provided he has completed his or her probationary period. Upon death or retirement, all unused sick leave shall be paid in full to the retiree or his beneficiary or estate.

(f) When an employee expects to be absent from work due to illness, he shall notify or cause to be notified, his immediate supervisor by the beginning of that work day. An employee calling in sick may be required to verify his illness and/or visit the City's physician upon request of the City if abuse of sick time is suspected. The employee shall, upon his first day back to work, fill out a sick leave form and present it to his immediate supervisor. If the employee fails to do so, sick leave will not be paid.

Section 16. Non-Duty Connected Short Term Disability (STD) and Non-Duty Connected Long Term Disability (LTD).

(a) The Employer agrees to pay the premium to provide the STD insurance policy presently in effect. The weekly benefit shall be $66 \frac{2}{3}$ of the employee's base weekly salary.

(b) The Employer agrees to pay the premium to provide the LTD insurance policy presently in effect. The monthly benefit shall be $66 \frac{2}{3}$ of the employee's base monthly salary.

Section 17. Fringe Benefit Continuation and Limitation.

(a) With the exception of Health, Dental and Life Insurance, all other fringe benefits including Holidays, Vacations, Sick Leave Days, Personal Leave Days, Uniform Allowance and Longevity Pay shall accrue on a monthly basis in months in which the employee is in pay status one-half of the calendar month. Unpaid days and days in which an employee receives STD, LTD or Worker's Compensation benefits shall not be considered pay status days.

(b) When an employee is on an authorized leave of absence due to illness or injury, said employee's Health, and Life Insurance shall be continued for a twelve (12) month period provided, however, that in the event the absence is caused by a duty connected injury, Health, and Life Insurance shall be continued as set forth in the Duty Connected Injury Section of this Agreement. Upon termination of the City's obligation to pay Health, and Life Insurance Premiums, the employee may convert to an individual policy in accordance with the insurance company policy and procedures.

(c) Qualifying employees or their applicable dependents shall be permitted to convert the present health plan to individual insurance policies pursuant to COBRA provision in the event of termination or death. There shall be not more than a 2% administration fee.

Section 18. Funeral Leave.

In the case of death occurring in the employee's immediate family requiring his absence during a duty period, the employee shall be granted a leave of absence with pay for such period not to exceed five (5) consecutive work days (as will be necessary in the particular circumstances), one day of which shall be the day of the funeral. "Immediate family" is defined as the employee's wife, husband, children, parents, step-parents, brothers, sisters and step-children.

In the event of the death of other family members, a leave of absence not to exceed three (3) consecutive work days shall be granted in accordance with the above guidelines. "Other family members" are defined as parents-in-law, grandparents, grandparents-in-law, and grandchildren.

Employees shall be allowed a one (1) day leave of absence with pay to attend the funeral of a brother-in-law, sister-in-law, aunt or uncle, provided that the day of the funeral occurs on the employees scheduled work day.

The City reserves the right to required proof of relationship and attendance at the funeral.

Section 19. Personal or Free Days.

(a) An employee shall accrue Personal Days at the rate of 3 1/3 hours per month which may be used in the following calendar year. Such Personal Days shall not accumulate from year to year and shall not be deducted from sick leave.

(b) No reason need be given to the employer.

(c) Requests must be submitted in writing twenty-four (24) hours in advance and shall be subject to approval of the Chief of Police.

(d) Personal Days may be taken for emergencies at the discretion of the Chief of Police. Days may be split into 2 hour periods if this is the need of the employee. One (1) day's notice must be given the Employer, if possible. Authorization shall not be unreasonably denied.

(e) A probationary employee newly hired by the Chief of Police shall accrue Personal Business Days during the remainder of the calendar year in which he is hired which he shall be eligible to use only upon completion of his probationary period. Exceptions may be made at the discretion of the Chief of Police.

Section 20. Leave of Absence.

An employee may take a leave of absence without pay for a period not to exceed thirty (30) days when he has completed five (5) years of service with the City, upon approval of the Chief of Police and the City Manager.

Section 21. Pension.

I. The existing "Pension Plan" shall continue to be provided only for: (i) employees in the unit covered by this Agreement hired prior to January 1, 1997; and (ii) employees promoted into the unit covered by this Agreement who are already participating in the Pension Plan. Details of the Plans shall be set forth in the Plan itself, which shall include the following elements.

1. Normal Retirement: Upon the effective date of the new Pension Plan the normal retirement date shall be 55 years of age and 15 years minimum service.

2. Vesting: Shall be at 50% at 5 years and 10% per year thereafter. 100% vested at 10 years.

3. Monthly Retirement Benefit: Effective January 1, 1992, the multiplier for pension calculation shall be 2.5% percent and effective January 1, 2001 shall increase to 2.8% percent for all eligible years of service, provided however, that the monthly benefit shall not exceed 80 percent of the employee's highest consecutive 5 year income average of credited compensation times the total years of Police Department Service not to exceed 34 years of service or age 55, whichever comes first. Credited compensation shall include base pay plus overtime and longevity pay only, and shall not include holiday bonus days, sick bank payoff or other payments of any kind.

4. Employee Contribution:

Effective January 1, 1995 - 5% of credited compensation.

Effective January 1, 1996 - 3% of credited compensation.

Effective January 1, 1997 - 2% of credited compensation.

Effective January 1, 1998 - 2% of credited compensation.

Effective January 1, 1999 - 2% of credited compensation.

Effective January 1, 2000 - 2% of credited compensation.

Effective January 1, 2001 - 4% of credited compensation.

5. Disability & Death Benefit as defined in the Pension Policy.

6. Early Retirement as defined in the Pension Policy.

7. Cost of Living. Effective January 1, 1997, and annually thereafter as of January 1, the amount of pension payable to each qualified retiree whose service to the City has terminated and who has reached fifty-five (55) years of age, shall be increased by 5% of the amount of the pension benefit which the participant is entitled to receive, when such benefit first becomes payable. Each January 1 thereafter the pension benefit shall be increased by the same dollar amount.

8. The employer shall amend the defined benefit pension plan document to provide for 3 appointed full time employee members of the pension committee one of which shall be reserved for a public safety employee who is represented by a bargaining unit. The employee members shall serve 6 year terms. At the onset of each term, or if there exists a vacancy, Unit members who are interested in serving on the pension committee shall submit an application to the City Clerk's office. Appointments shall be made based on a vote of the employees.

II. Deferred Compensation Plan. In addition to the present Pension Plan, the City will continue a 401(K) compensation plan to be jointly funded by the employer and employee contributions. For each 3/4% of annual salary contributed by the employee, the City will contribute 1% to a maximum 4% City contribution.

A. All employees shall be required to contribute at the 3% percent level in order to receive the City's maximum contribution.

B. The City's contribution shall vest to the employee at the rate of 20% per year based upon years of service with the Employer in a full time position. Employees having 5 or more years of service shall be fully vested.

C. Permanent and total disability will result in immediate full vesting.

D. In addition to the base contribution, employees may contribute up to 25% of their gross annual wages plus all or any portion of their longevity pay, not to exceed the maximum allowed by law.

E. Further guidelines are set forth in Section 401(K) of the Internal Revenue Code and in the Plan as administered by Unified Employee Benefit Services.

III. The Employer shall make available a 401(k) savings plan to employees covered by this Agreement (see Appendix G). Employees hired directly into the unit on or after January 1, 1997 and employees promoted into the unit covered by this Agreement who were participating only in the Employer's 401(k) compensation plan at the time of promotion shall only be entitled to the 401(k) savings plan.

Section 22. Optical Plan.

Effective the first of the month following thirty (30) days after final contract ratification, the Employer will provide optical care through the American Community Preferred Vision Plan for the employee and family. The plan will provide for an examination, lens and frames once every twelve (12) months with a \$10.00 co-pay.

Section 23. Salaries.

A. A differential based on the POAM contract wage scale for each corresponding year of the contract will be instituted retroactively effective January 1, 1999 as follows:

Detectives - 8.5%
Sergeants - 16%
Lieutenants - 23%

The differential will be based on the 4 year senior patrol officer step for employees hired prior to January 1, 1985 and will be based on the 5 year senior patrol officer step for employees hired after January 1, 1985.

(Probationary wage schedule eliminated)

Employees Hired Before January 1, 1985

	01/01/99	01/01/00	01/01/01	01/01/02
Detectives	52,238.41	53,805.15	55,688.71	
Sergeants	55,849.36	57,524.40	59,538.16	
Lieutenants	59,219.58	60,995.70	63,130.98	

Employees Hired After January 1, 1985

	01/01/99	01/01/00	01/01/01	01/01/02
Detectives	52,762.47	54,345.48	56,247.49	
Sergeants	56,409.64	58,102.08	60,135.56	
Lieutenants	59,813.67	61,608.24	63,764.43	

B. Each unit member covered by this contract shall receive a one time payment of \$1,000.00 to be included with the retroactive wage payment. This shall be a one time, lump sum, performance bonus which shall not be included when calculating the base wage for overtime or any other purpose.

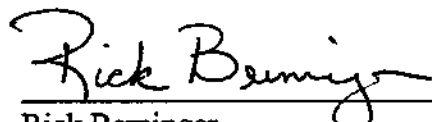
Section 24.

This Agreement shall remain in full force and effect from January 1, 1999 to Midnight, December 31, 2002. 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 ninety (90) 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.

It is agreed and understood that the provisions contained herein shall remain in full force and effect so long as they are not in violation of applicable statutes and ordinances and remain within the jurisdiction of the City.

POLICE OFFICERS LABOR COUNCIL
OF MICHIGAN



Rick Berninger
POLC Field Representative

CITY OF AUBURN HILLS



William R. Ross
City Manager

Dated: 5/31/00

Dated: 5-25-00

APPENDIX "B"

I hereby request and authorize the amount of \$_____ to be deducted from my wages, earned while in your employ, the labor representation fee of \$26.00 per month, which will cover dues owed through the month of _____.

The amount deducted for the labor fees shall be paid to the Police Officers Labor Council, 667 E. Big Beaver Road, Suite 205, Troy, Michigan 48083.

LAST NAME (Please Print)

FIRST NAME

MIDDLE INITIAL

Address

City

State

Zip

Social Security Number

SIGNATURE

Date

APPENDIX C

DRUG TESTING POLICY

I. PURPOSE

The City of Auburn Hills and the Police Officers Labor Council of Michigan (POLCM) have established a drug program covering sworn members of the Police Department. The main focus of this program is to have employees with drug addiction volunteer for treatment and rehabilitation and provide all sworn Officers with notice of the provisions of the Department drug testing program.

II. POLICY

It is the policy of this Department that the critical mission of law enforcement justifies maintenance of a drug free work environment through the use of a reasonable employee drug testing program.

The law enforcement profession has several uniquely compelling interest that justify the use of employee drug testing. The public has a right to expect that those who are sworn to protect them are at all times both physically and mentally prepared to assume these duties. There is sufficient evidence to conclude that the use of controlled substances and other forms of drug abuse will seriously impair an Officer's physical and mental health and, thus, job performance.

Where law enforcement Officers participate in illegal drug use and activity, the integrity of the law enforcement profession and public confidence in that integrity are destroyed. This confidence is further eroded by the potential for corruption created by drug use.

Therefore, in order to ensure the integrity of the Department and to preserve public trust and confidence in a fit and drug free law enforcement profession, this Department will implement a drug testing program.

III. DEFINITIONS

A. Officer -- Those Officers who have been formally vested with full law enforcement powers and authority and all Police Service Officers.

B. Supervisor -- Those sworn Officers assigned to a position having day-to-day responsibility for supervising subordinates, or who are responsible for commanding a work element.

C. Drug Test -- The compulsory or voluntary production and submission of urine by an Officer in accordance with Departmental procedures, for chemical analysis to detect prohibited drug usage.

D. Reasonable Suspicion -- That quantity of proof or evidence that is more than a hunch, but less than probable cause. Reasonable suspicion must be based on specific, objective facts and any rationally derived inferences from those facts about the conduct of an individual that would lead the reasonable person to suspect that the individual is or has been using drugs while on or off duty.

E. Probable Cause -- That amount of facts and circumstances within the knowledge of a supervisor or the administration which are sufficient to warrant a prudent man to believe it is more probable than not that an Officer had committed or was committing an offense contrary to this drug policy.

F. Probationary Officer -- For the purpose of this policy only, a probationary Officer shall be considered to be any person who is conditionally employed with the Department as a recently hired law enforcement Officer.

G. MRO - Medical Review Officer -- The medical review Officer is a physician knowledgeable in the medical use of prescription drugs and the pharmacology and toxicology of illicit drugs. The MRO will be a licensed physician with knowledge of substance abuse disorders. The MRO shall have appropriate medical training to interpret and evaluate an individual's test results with his or her medical history and any other relevant biomedical information.

IV. PROCEDURES/RULES

A. Prohibited Activity

The following rules shall apply to all applicants, probationary and sworn Officers, while on and off duty:

1. No Officer shall illegally possess any controlled substance.
2. No Officer shall ingest any controlled or prescribed substance, except under the direction of a licensed medical practitioner.
3. Any Officer who unintentionally ingests, or is made to ingest, a controlled substance shall immediately report the incident to his/her supervisor so that appropriate medical steps may be taken to ensure the Officer's health and safety.
4. Discipline of Officers for any violation of this drug testing policy shall be in accordance with the due process rights provided in the Department's rules and regulations, policies and procedures and the current collective bargaining agreement. When there is a refusal to participate, probable cause, or the Medical Review Officer determines that an Officer's drug test was positive; the Officer may be immediately relieved of duty, with pay, pending a Department investigation by Director of Public Safety or his designee. An expeditious investigation will be conducted.

B. Applicant Drug Testing

1. Applicants for the position of sworn law enforcement Officer and Police Service Officer shall be required to take a drug test as a condition of employment during a pre-employment medical examination.

2. Applicants shall be disqualified from further consideration for employment under the following circumstances:

- a. Refusal to submit to a required drug test; or
- b. A confirmed positive drug test indicating drug use prohibited by this policy.

C. Probationary Officer Drug Testing

All probationary recruit Officers shall be required as a condition of employment to participate in any unannounced drug tests scheduled for the probationary period. The frequency and timing of such tests shall be determined by the Chief of Police or his designee. They may be tested prior to completion of the probationary period.

D. Officer Drug Testing

1. Officers will be required to take drug tests as a condition of the continued employment in order to ascertain prohibited drug use, as provided below.

2. The City and Union have agreed to a policy under which each employee of the Police Department may be required to undergo a drug screen on a random basis once every month, or whenever the City has probable cause or reasonable suspicion.

3. The names of all Officers shall be placed in a sealed container and shall be drawn out by a representative of the Union and the Chief of Police or his designee. Two names will be drawn each month and these employees will be notified to promptly submit to a drug screen as prescribed herein. The Union Representative and the Chief of Police or his designee, shall not reveal the names of those employees drawn until after the employee has been appropriately contacted by the Department.

4. The Chief of Police may order an Officer to take a drug test upon documented probable cause that the Officer is or has been using drugs in violation of this policy. A summary of the facts supporting the order shall be made available to the Officer prior to the actual test.

5. Upon reasonable suspicion the Department may request, through the Union, that an Officer submit to a voluntary drug test. Any Officer voluntarily submitting to a drug test who tests positive as a consequence of said test, shall be eligible for coverage under the last chance rehabilitation provision set forth in this policy.

Any officer who refuses to submit to a request for a voluntary drug test shall not be disciplined as a consequence of such refusal, but shall not be eligible for coverage under the last chance rehabilitation provision set forth in this policy for a period of three (3) years.

6. Upon signing this agreement, all members of the Union shall submit to a base line drug screen analysis, including the Chief and Deputy Chief of Police. The Last Chance Agreement shall be available to any member who exhibits a positive test.

7. A drug screening test shall be considered as a condition of acceptance to a narcotic unit. Furthermore, the members of a narcotic unit will be tested randomly at least once every six months and also when they leave the unit. The members shall be eligible for coverage under the last chance rehabilitation provision set forth in this policy.

8. Employees whose names are drawn shall be notified immediately by the Chief of Police or his designee and will promptly submit to a drug screen at a designated facility. If attempts to notify the employee are unsuccessful, that employee shall submit to a drug screen immediately upon their return to work. Drug screens shall be conducted on compensated time.

E. Penalty

Violation of any provision of this drug testing policy shall be grounds for disciplinary action. Discipline shall be administered as set forth in the Auburn Hill Police Department's rules and regulations, and may include discharge from the Police Department. Any discipline issued remains subject to review in accordance with the collective bargaining agreement.

F. Rehabilitation Program

1. Under this program, any employee may volunteer to enter a drug education/rehabilitation program prior to the random test or prior to being notified that he/she will be tested. With regard to marijuana use, this program will require the individual to participate in a City approved/supervised drug education program as directed by the City, followed by unannounced periodic testing for drugs.

With regard to drugs or controlled substances other than marijuana, this program will require the individual's enrollment in a City approved/supervised in-patient treatment facility, followed by participation in a City approved/supervised out-patient treatment program as directed by the City. Participants in both the rehabilitation/treatment program and the education program will be subject to unannounced periodic testing for drugs for a period of two (2) years. Any further use of any controlled substance under any circumstances may thereafter result in the employee's suspension and dismissal from the City. Furthermore, the failure to fully participate in and/or successfully complete the prescribed education or rehabilitation and follow-up program may constitute grounds for dismissal.

2. The drug education program and in-patient treatment referred to in this Section shall be paid for by the employee, subject to the City provided insurance program including out-patient treatment.

3. Employees will be allowed to use accrued sick leave benefits until such time as the City, based upon medical evidence, determines that they are capable of returning to active duty. Time spent on out-patient treatment after an employee is reinstated shall be on the employee's own time. Successful completion of the prescribed treatment program and certification by a physician, designated by the City, are required prior to returning to active duty. Participation in the rehabilitation program requires the employee to sign an authorization for release of medical records.

G. Drug Testing Procedures

1. The testing procedures and safeguards provided in this policy, to ensure the integrity of Department drug testing, shall be adhered to by any laboratory personnel administering drug testing.

2. Laboratory personnel authorized to administer drug tests shall require positive identification from each Officer to be tested before they enter the testing area.

3. In order to prevent a false position test result, a pre-test interview shall be conducted by testing personnel with each Officer to ascertain and document the recent use of any prescription or non-prescription drugs, or any indirect exposure to drugs; however, medical information may be given to the laboratory testing personnel on a voluntary basis. If the test results are positive, it will be mandatory that the Officer divulge the necessary medical information to the Medical Review Officer that may have lead to a false positive test.

4. The bathroom facility of the testing area shall be private and secure.

a. Authorized testing personnel shall search the facility before an Officer enters it to produce a urine sample, and document that it is free of any foreign substance.

5. Where the Officer appears unable or unwilling to give a specimen at the time of the test, testing personnel shall document the circumstances on the drug-test report form. The Officer shall be permitted to no more than eight hours to give a sample, during which time he shall remain in the testing area, under observation, however, the Officer may allow a blood sample to be drawn. Reasonable amounts of water may be given to the employee to encourage urination. Failure to submit a sample shall be considered a refusal to submit to a drug test except for good cause as determined by the MRO.

6. The urine/blood sample will be split and stored in case of legal disputes. The samples must be provided at the same time, and marked and placed in identical specimen containers by authorized testing personnel. One sample shall be submitted for immediate drug testing. The other sample shall remain at the facility in frozen storage. This sample shall be made available to the employee or his Union, prior to disciplinary action, should the original sample result in a legal dispute. The Officer must request same within 72 hours of being notified of a positive and confirmatory test by the Medical Review Officer. All groups of negative samples may be destroyed after seven (7) days.

7. All specimen samples shall be sealed, labeled, initialed by the Officer and laboratory technician, and checked against the identify of the employee to ensure the results match the tested specimen. Samples shall be stored in a secured and refrigerated atmosphere until testing or delivery to the testing lab representative.

8. Whenever there is a reason to believe that the employee may have altered or substituted the specimen to be provided, a second specimen shall be obtained within a reasonable period of time.

The laboratory personnel will take the appropriate necessary steps to assure the integrity of the second specimen.

H. Drug Testing Methodology

1. The testing or processing phase shall consist of a two-step procedure:

- a. initial screening test
- b. confirmation test (if initial screening test is positive)

2. The urine sample is first tested using the initial drug screening procedure. An initial positive test result will not be considered conclusive; rather, it will be classified as "confirmation pending." Notification of test results to the supervisor or other departmental designee shall be held until confirmation test results are obtained and verified by the MRO.

3. A specimen testing positive will undergo an additional confirmatory test. The confirmation procedure shall be technologically different and more sensitive than the initial screening test.

4. The drug screening tests selected shall be capable of identifying marijuana, cocaine and every major drug of abuse listed herein or as modified by the Michigan Law Enforcement Officers Training Council. Personnel utilized for testing will be certified as qualified to collect urine samples or adequately trained in collective procedures.

5. Concentrations of a drug at or about the following levels shall be considered a positive test result when using the initial immunoassay drug screening test:

Initial Test Level

	(ng/ml)
Marijuana metabolite	100
Cocaine metabolite	300
Opiate metabolite	300*
Phencyclidine	25

Amphetamines	1000
Barbiturates	300

*25ng/ml if immunoassay-specific for free morphine.

Concentrations of a drug at or above the following levels shall be considered a positive test result when performing a confirmatory CG/MS test on a urine specimen that tested positive using a technologically different test than the initial screening method:

Confirmatory Test Level

Marijuana metabolite	15*
Cocaine metabolite	150**

Opiates:

Morphine	300+
Codeine	300+

Phencyclidine	25
---------------------	----

Amphetamines:

Amphetamine	500
Methamphetamine	500

* Delta-9-tetrahydrocannabinol-9-carboxylic acid

** Benzoylecgonine

+ 25ng/ml if immunoassay-specific for free morphine.

Barbiturates	300
--------------------	-----

6. The laboratory selected to conduct the analysis shall be experienced and capable of quality control, documentation, chain-of-custody, technical expertise and demonstrated proficiency in urinalysis.

7. Officer having negative drug test results shall receive a memorandum stating that no illegal drugs were found. A copy of the letter will be placed in the Officer's personnel file upon the Officer's Request.

8. Any Officer who interferes with the testing process or breaches the confidentiality of test results shall be subject to discipline.

I. Chain of Evidence - Storage

1. Each step in the collecting and processing of the urine specimens shall be documented to establish procedural integrity and the chain of custody.

2. Where a positive result is confirmed, urine specimens shall be maintained in a secured, refrigerated storage area. If a dispute arises the specimens will be stored until all legal disputes are settled.

J. Drug Test Results

1. All records pertaining to Department-required drug tests shall remain confidential, and shall not be provided to other employers or agencies without the written permission of the person whose records are sought. However, medical, administrative, and immediate supervisory personnel may have access to relevant portions of the records as necessary to insure the acceptable performance of the Officer's job duties.

K. Use of Marijuana

In accordance with Department policy on use of marijuana, an employee undergoing a scheduled drug screen which tests positive for marijuana may be suspended without pay for a period of thirty (30) days, required to satisfactorily participate in drug education program, and undergo periodic unannounced testing for a period of two (2) years. Any further use of any controlled substance, including marijuana, will thereafter result in dismissal.

Further, the employee's failure to satisfactorily participate in the drug education program shall constitute grounds for discharge. This policy in no way limits the Department's prerogative to appropriately discipline its members for conduct related to the use of marijuana.

L. Procedures for Implementation of the Last Chance Agreement

1. An Officer whose drug test has been confirmed positive by the Medical Review Officer during random or reasonable suspicion testing shall, if found guilty during Department disciplinary proceedings, be offered a Last Chance Agreement.

2. At the discretion of the Chief of Police, that Last Chance Agreement may also be offered to any Officer whose drug test has been confirmed positive by the Medical Review Officer.

3. Standard letter of conditions for continued employment (Last Chance Agreement) must be signed by Department and employee.

4. Officer must attend the Employee Assistance Program and/or an authorized rehabilitation source.

5. Officer must sign a form releasing any and all information to management as may be requested.

6. Officer must complete a rehabilitation program as prescribed by the Employee Assistance Program and/or an authorized rehabilitation source.

7. Officer must pass a medical examination administered by a medical facility designated by the Chief of Police prior to being allowed to return to duty. Examination shall only screen for drug use and the physical impact of the prior drug usage.

8. Officer may be allowed to use sick time and apply for a medical leave of absence if required, while undergoing rehabilitation.

9. Once authorized to return to duty, the Officer must submit to periodic urinalysis on a timetable as may be determined by the Chief of Police.

10. The Officer shall be subject to the terms of this program for three (3) years after their return to work.

11. The Officer must agree in writing that the Officer will be automatically terminated forthwith if a violation of any portion of this program occurs at any time during its enforcement term.

12. Officer must be advised that the Officer is not obligated to sign the Agreement and be advised he has the right to seek the council of his legal and/or labor representative.

13. Employees are eligible only once for Last Chance Agreement during course of their employment with the City of Auburn Hills.

APPENDIX D
RETIREE HMO COVERAGE

<u>NETWORK SERVICES</u>	<u>GROUP RETIREE HMO PLAN</u>
<u>OUTPATIENT SERVICES</u>	
Physician Office Visits	\$10 Co-Pay, then 100%
Preventative Care/Immunizations	\$10 Co-Pay, then 100%
Allergy Testing, Serums, Injections	Covered at 50%
Outpatient X-ray & Lab	Covered in full
Outpatient Surgery	Covered in full
Physical Therapy	Covered in full
 Sterilization	 Covered at 50%
Maternity (Pre, Post Natal)	\$10 Co-Pay
 Mental Health	 50% Co-Pay/ 20 visits per year
 Substance Abuse	 50% Co-Pay/ 20 visits per year
<u>INPATIENT HOSPITAL SERVICES</u>	
Semi Private Room	Covered in full
Physician Consultations	Covered in full
Surgery/Related Services	Covered in full
Anesthesia	Covered in full
Diagnostic/Therapeutic X-ray	Covered in full
Laboratory Tests	Covered in full
Physical Therapy	Covered in full
Mental Health	Covered in full
	to 30 days maximum
 Substance Abuse	 50% Co-Pay or \$500 adm.; for one program
 EMERGENCY CARE	 \$25 Co-Pay for qualified emergencies; otherwise no benefit
 PRESCRIPTION DRUG Card	 \$5 Co-Pay (Michigan)
 NON-NETWORK SERVICES	 No coverage except for true emergencies

APPENDIX E - CITY OF AUBURN HILLS
POLICE DEPARTMENT
SERGEANT AND LIEUTENANT PROMOTIONAL PROCESS

I. PURPOSE

The purpose of this document is to define the promotional process used to select police sergeants.

II. GOALS

The goal of this promotional process is to identify the most qualified person for the position. It is the goal of this Department to be as fair and objective as possible in identifying the most qualified candidates.

III. PROCEDURE

The procedure for identifying candidates shall be as follows:

A. Qualifications

1. Prior to any posting of a promotional opportunity, the job description for the position shall be posted in a conspicuous place.
2. Applicants to test must have a total of 3 years service as a full-time police officer.
3. Applicants must meet all other qualifications named in the job description.

B. Process

1. A vendor or vendors shall be selected to conduct the promotional process based on quality of their work, references, price and any other factors deemed appropriate by the Chief of Police. The union shall be given an opportunity to make a recommendation related to selection of the vendor.
2. The process shall consist of:
 - a. Written test
 1. Provided by the vendor as a part of the process.
 2. Shall contain at least 20% content from this Department's Rules, Regulations, General Orders and Operating Memorandums.
 3. The bibliography shall be posted 60 days prior to the test date.

b. Assessment Center/Structured Oral Board

1. Vendor shall select the board members and provide all materials and process to be used in accordance with commonly accepted practices for this type of process.

3. Scoring

- a. Scores shall be posted as soon as possible using an identification number assigned to candidates at the written test.
- b. A minimum score of 70% is required to proceed to the Assessment Center/Structured Oral Board from the written test.

4. Weighting

- a. The process shall have the following weights:
 1. Written test - 30%
 2. Assessment Center/Structured Oral Board 70%
- b. Additional Points
 1. 1% assigned for completion of a bachelor's degree prior to the process.
 2. 1% assigned for completion of a master's degree prior to the process.

5. Banding

- a. In addition to numerical scores candidates will be placed into "bands" or groups by the vendor, using their professional experience and judgment, based on the scores.
- b. The groups or "bands" shall be identified as:

highly qualified
qualified
not yet qualified

- c. Posted scores will not include the band, only the numerical score

IV. PROMOTIONAL LIST

- A. Candidates who score in the "qualified" and "highly qualified" bands shall be placed on a list in order of their scores.

1. The list will remain valid for one (1) calendar year from the date it was Posted.
- B. Promotions will be made from the top three (3) qualified candidates on the list by the City Manager upon recommendation by the Chief of Police.
- C. As a promotion is made the person in the 4th place on the list becomes part of the top three for the next potential promotion. This process continues until the list expires or the list of qualified candidates is exhausted.

V. PSYCHOLOGICAL EXAMINATION

- A. The three highest scoring candidates will be required to complete a psychological exam consisting of testing and an interview. The exam will be unweighted and shall be considered with other testing results in determining the candidate to be Promoted. Any candidate who has completed this exam within the last 2 years as part of this promotional process shall have the option to use their prior results instead of participating in another exam.

VI. FOLLOW-UP

- A. Testing Process
 1. The vendor in the testing process will be required to meet with each candidate upon request for a review of their scores.
- B. Psychological
 1. The City will provide an opportunity for any candidate who had a psychological exam to meet with the psychologist for a review following the process.
- C. Chief of Police
 1. The Chief of Police will meet with any candidate upon request for a review of their scores.

APPENDIX F
Health and Optical Coverage
American Community

OUTPATIENT SERVICES-Physician Fees

Physician Office Visits	\$10 Co-pay
Preventative Care/Immunizations	(1) \$10 Co-pay
Allergy testing, Serums, Injections	\$10 Co-pay
Outpatient X-Ray & Lab	Covered in full
Surgical	Covered in full
Physical Therapy	Covered in full
Sterilization	Covered in full
Maternity (Pre, Post Natal)	Covered in full

**INPATIENT HOSPITAL
SERVICES-Physicians Fees**

Physician Consultations	Covered in full
Surgery/Related Services	Covered in full
Anesthesia	Covered in full
Diagnostic/Therapeutic X-ray	Covered in full
Laboratory Tests	Covered in full
Physical Therapy	Covered in full

MENTAL/NERVOUS BENEFITS

Mental Health	- Outpatient	Subject to deductible and benefit percentage per person
	- Inpatient	Subject to deductible and benefit percentage per person
Substance Abuse	- Outpatient	Subject to deductible and benefit percentage per person to state limit.
	- Inpatient	Subject to deductible and benefit percentage
Mental Nervous Maximums		\$25,000 Lifetime

EMERGENCY BENEFITS (Hospital)

Defined Emergency "Out of Network" (Inpatient)	Covered as "In-Network" Deductible and Co-Insurance
Accidental	Covered in full to \$300/accident then Deductible and Co-Insurance
Non-Emergency	Deductible & 50% Co-Insurance

IN-NETWORK "OUT-OF-POCKET"

(When applicable)	\$250 (\$500)
Deductible (family)	90/10% - \$3,500 (\$7,000);
Co-Insurance (family)	then 100%
Stop-Loss (family)	\$600 (\$1,200)

NON-NETWORK COVERAGES

Deductible (family)	\$250 (\$500)
Co-Insurance (family)	70/30 - \$3,500 (\$7,00)
	then 100%
Stop-Loss (family)	\$1,300 (\$2,600)

PRESCRIPTIONS

Drug Card	\$ 5 Co-Pay Generic \$10 Co-Pay Name Brand
Mail-Order	Covered at 100% for 90 days

VISION BENEFITS

		<u>Frequency</u>
Exam	\$10 Co-Pay	Every 12 months
Lenses	Covered in full	Every 12 months
Frames	Covered in full	Every 12 months
Contact Lenses	Covered in full	Every 12 months
Medically necessary	Covered in full	Every 12 months
Cosmetic	\$100	Every 12 months
Frame Allowance	\$35 Wholesale	(Approx. \$85 Retail)

(1) Preventative Care with American / PPOM includes Annual GYN, Pap Smear and immunizations to age 2. This option will also include annual physicals. All Preventative Care is provided in-network only and contains a \$200/person per year maximum.

**ICMA RETIREMENT CORPORATION
PROTOTYPE PROFIT-SHARING PLAN & TRUST
ADOPTION AGREEMENT
#002**

Account Number _____

The Employer hereby establishes a Profit-Sharing Plan and Trust to be known as ICMA RC
401k (the "Plan") in the form of the ICMA Retirement
Corporation Prototype Profit-Sharing Plan and Trust.

This Plan is an amendment and restatement of an existing defined contribution profit-sharing plan.

☐ Yes☒ No

If yes, please specify the name of the defined contribution profit-sharing plan which this Plan
hereby amends and restates:

I. Employer: City of Auburn Hills, Michigan

II. Prototype Sponsor:

Name: ICMA Retirement Corporation

Address: 777 N. Capitol Street, N.E.
Washington, D.C. 20002-4240

Telephone Number: (202) 962-4600

III. The Effective Date of the Plan shall be the first day of the Plan Year during which the
Employer adopts the Plan, unless an alternate Effective Date is hereby specified:

IV. Plan Year will mean:

☒ The twelve (12) consecutive month period which coincides with the limita-
tion year. (See Section 6.05(i) of the Plan.)

☐ The twelve (12) consecutive month period commencing on _____ and
each anniversary thereof.

V. Normal Retirement Age shall be age 50 (not to exceed age 65).

VI. ELIGIBILITY REQUIREMENTS:

1. The following group or groups of Employees are eligible to participate in the Plan:

<u> </u>	All Employees
<u> X </u>	All Full-Time Employees
<u> </u>	Salaried Employees
<u> </u>	Non-union Employees
<u> </u>	Management Employees
<u> </u>	Public Safety Employees
<u> </u>	General Employees
<u> X </u>	Other (specify below)
<u>Members of City Council in accordance with the actions of the Compensation Commission</u>	

The group specified must correspond to a group of the same designation that is defined in the statutes, ordinances, rules, regulations, personal manuals or other material in effect in the state or locality of the Employer.

2. The Employer hereby waives or reduces the requirement of a twelve (12) month Period of Service for participation. The required Period of Service shall be N/A (write N/A if an Employee is eligible to participate upon employment).

If this waiver or reduction is elected, it shall apply to all Employees within the Covered Employment Classification.

3. A minimum age requirement is hereby specified for eligibility to participate. The minimum age requirement is N/A (not to exceed age 21. Write N/A if no minimum age is declared.)

VII. CONTRIBUTION PROVISIONS

1. The Employer shall contribute as follows (choose one, if applicable):

☒ Fixed Employer Contributions With Or Without Mandatory Participant Contributions.

The Employer shall contribute on behalf of each Participant 9 % of Earnings or \$ for the Plan Year (subject to the limitations of Article VI of the Plan). Each Participant is required to contribute 0 % of Earnings or \$ for the Plan Year as a condition of participation in the Plan. (Write "0" if no contribution is required.) If Participant Contributions are required under this option, a Participant shall not have the right to discontinue or vary the rate of such contributions after becoming a Plan Participant.

The Employer hereby elects to "pick up" the Mandatory/Required Participant Contribution.

☐ Yes

☒ No

[Note to Employer: Neither an opinion letter issued by the Internal Revenue Service with respect to the Prototype Plan, nor a determination letter issued to an adopting Employer is a ruling by the Internal Revenue Service that Participant contributions that are picked up by the Employer are not includable in the Participant's gross income for federal income tax purposes. The Employer may seek such a ruling.

Picked up contributions are excludable from the Participant's gross income under section 414(h)(2) of the Internal Revenue Code of 1986 only if they meet the requirements of Rev. Rul. 81-35, 1981-1 C.B. 255. Those requirements are (1) that the Employer must specify that the contributions, although designated as employee contributions, are being paid by the Employer in lieu of contributions by the employee; and (2) the employee must not have the option of receiving the contributed amounts directly instead of having them paid by the Employer to the plan.]

N/A ☐ **Discretionary Employer Contributions**

The Employer will determine the amount of Employer contributions to be made to the Plan for each Plan Year. The amount of Employer contributions to be allocated to the Account of each Participant will be based on the ratio for the Plan Year that such Participant's Earnings bears to the Earnings of all Participants eligible for such contributions.

N/A ☐ **Fixed Employer Match of Participant Contributions.**

The Employer shall contribute on behalf of each Participant ____% of Earnings for the Plan Year (subject to the limitations of Articles V and VI of the Plan) for each Plan Year that such Participant has contributed ____% of Earnings or \$____. Under this option, there is a single, fixed rate of Employer contributions, but a Participant may decline to make the required Participant contributions in any Plan Year, in which case no Employer contribution will be made on the Participant's behalf in that Plan Year.

N/A ☐ **Variable Employer Match Of Participant Contributions.**

The Employer shall contribute on behalf of each Participant an amount determined as follows (subject to the limitations of Articles V and VI of the Plan):

_____ % of the Participant contributions made by the Participant for the Plan Year (not including Participant contributions exceeding _____ % of Earnings or \$ _____);

PLUS _____ % of the contributions made by the Participant for the Plan Year in excess of those included in the above paragraph (but not including Participant contributions exceeding in the aggregate _____ % of Earnings or \$ _____).

Employer Contributions on behalf of a Participant for a Plan Year shall not exceed \$ _____ or _____ % of Earnings, whichever is ☐ more or ☐ less.

2. Each Participant may make a voluntary (unmatched), after-tax contribution, subject to the limitations of Section 4.06 and Articles V and VI of the Plan.
☐ Yes ☐ No
3. Employer contributions and Participant contributions shall be contributed to the Trust in accordance with the following payment schedule: ,

VIII. CASH OR DEFERRED ARRANGEMENT UNDER SECTION 401(k)

1. This Plan will be a cash or deferred arrangement under section 401(k) of the Code.
☒ Yes ☐ No

Each Participant may elect to make Elective Deferrals, not to exceed 10 % of Earnings for the Plan Year, subject to the limitations of Articles V and VI of the Plan.

The provisions of the Cash or Deferred Arrangement (CODA) may be made effective as of the first day of the Plan Year in which the CODA is adopted.

However, under no circumstances may a salary reduction agreement or other deferral mechanism be adopted retroactively.

[Note to Employer: Under current law, the cash or deferred arrangement (CODA) option under section 401(k) of the Code is not available to an employer that is a State or local government or political subdivision thereof, or any agency or instrumentality thereof, unless that employer established a CODA on or before May 6, 1986.]

2. The Employer will match Elective Deferrals.

☒ Yes

☐ No

The Employer will contribute as follows (choose one, if applicable):

- ☒ **Employer Percentage Match Of Elective Deferrals.**

The Employer shall contribute on behalf of each Participant an amount determined as follows (subject to the limitations of Article V and VI of the Plan):

100 % of the Elective Deferrals made on behalf of the Participant for the Plan Year (not including Elective Deferrals exceeding 3 % of Earnings or \$ _____);

PLUS 0 % of the Elective Deferrals made on behalf of the Participant for the Plan Year in excess of those included in the above paragraph (but not including Elective Deferrals exceeding in the aggregate _____ % of Earnings or \$ _____).

Employer Contributions on behalf of a Participant for a Plan Year shall not exceed \$ _____ or 3 % of Earnings, whichever is ☐ more or ☐ less.

N/A

- ☐ **Employer Dollar Match Of Elective Deferrals.**

The Employer shall contribute on behalf of each Participant an amount determined as follows (subject to the limitations of Articles V and VI of the Plan):

\$ _____ for each _____ % of Earnings or \$ _____ that the Employer contributes on behalf of the Participant as Elective Deferrals for the Plan Year (not including Elective Deferrals exceeding _____ % of Earnings or \$ _____);

PLUS \$_____ for each _____% of Earnings or \$_____ that the Employer contributes on behalf of the Participant as Elective Deferrals for the Plan Year in excess of those included in the above paragraph (but not including Elective Deferrals exceeding in the aggregate _____% of Earnings or \$_____.)

Employer Contributions on behalf of a Participant for a Plan Year shall not exceed \$_____ or _____% of Earnings, whichever is ☐ more or ☐ less.

IX. EARNINGS

Earnings, as defined under Section 2.09 of the Plan, shall include:

- (a) Overtime ☐ Yes ☒ No
- (b) Bonuses ☐ Yes ☒ No

X. LIMITATION ON ALLOCATIONS

If the Employer (i) maintains or ever maintained another qualified plan in which any Participant in this Plan is (or was) a participant or could possibly become a participant, and/or (ii) maintains a welfare benefit fund (as defined in section 419(e) of the Code) or an individual medical account (as defined in section 415(l)(2) of the Code, under which amounts are treated as Annual Additions with respect to any Participant in this Plan) the Employer hereby agrees to limit contributions to all such plans as provided herein, if necessary in order to avoid excess contributions (as described in Sections 6.03 and 6.04 of the Plan).

1. If the Participant is covered under another qualified defined contribution plan maintained by the Employer, other than a Regional Prototype Plan, the provisions of Section 6.02(a) through (f) of the Plan will apply as if the other plan were a Master Prototype Plan, unless another method has been indicated below.

- ☐ Other Method. (Provide the method under which the plans will limit total Annual Additions to the Maximum Permissible Amount, and will properly reduce any excess amounts, in a manner that precludes Employer discretion.)

2. If the Participant is or has ever been a participant in a defined benefit plan maintained by the Employer, and if the limitation in Section 6.04 of the Plan would be exceeded, then the Participant's Projected Annual Benefit under the defined benefit plan shall be reduced in accordance with the terms thereof to the extent necessary to satisfy such limitation. If such plan does not provide for such reduction, or if the limitation is still exceeded after the reduction, annual additions shall be reduced to the extent necessary in the manner described in Sections 6.01 through 6.03. The methods of avoiding the limitation described in this paragraph will not apply if the Employer indicates another method below.

☐ Other Method. (Note to Employer: Provide below language which will satisfy the 1.0 limitation of section 415(e) of the Code. Such language must preclude Employer discretion. See section 1.415-1 of the Regulations for guidance.)

3. The limitation year is the following 12-consecutive month period:

XI. VESTING PROVISIONS

The Employer hereby specifies the following vesting schedule, subject to (1) the minimum vesting requirements as noted and (2) the concurrence of the Plan Administrator.

<u>Years of Service Completed</u>	<u>Specified Percent Vesting</u>	<u>Minimum Vesting Requirements**</u>
Zero	_____ %	No minimum
One	<u>20</u> %	No minimum
Two	<u>40</u> %	No minimum
Three	<u>60</u> %	Not less than 20%
Four	<u>80</u> %	Not less than 40%
Five	<u>100</u> %	Not less than 60%
Six	_____ %	Not less than 80%
Seven, or more	<u>100</u> %	Must equal 100%

(**These minimum vesting requirements conform to the Code's three to seven year vesting schedule. If the employee becomes 100% vested by the completion of five years of service, there is no minimum for years three and four.)

XII. WITHDRAWALS AND LOANS

1. Hardship withdrawals are permitted under the Plan as provided in Section 10.07, from the following accounts only (choose as applicable):

- a. Employer Contribution Account (Nonforfeitable Interest)

☒ Yes ☐ No

- b. Participant Elective Deferral Account (not including earnings thereon accrued after December 31, 1988)

☒ Yes ☐ No

2. In-service distributions are permitted under the Plan as provided in Section 10.08.

☒ Yes ☐ No

3. Loans are permitted under the Plan, as provided in Article XIV:

☒ Yes ☐ No

- XIII. The Employer hereby attests that it is a unit of state or local government or an agency or instrumentality of one or more units of state or local government.

- XIV. The Prototype Sponsor hereby agrees to inform the Employer of any amendments to the Plan made pursuant to Section 15.05 of the Plan or of the discontinuance or abandonment of the Plan.

- XV. The Employer hereby appoints the Prototype Sponsor as the Plan Administrator pursuant to the terms and conditions of the ICMA RETIREMENT CORPORATION PROTOTYPE PROFIT-SHARING PLAN & TRUST.

The Employer hereby agrees to the provisions of the Plan and Trust.

- XVI. The Employer hereby acknowledges it understands that failure to properly fill out this Adoption Agreement may result in disqualification of the Plan.

- XVII. An adopting Employer may not rely on a notification letter issued by the National or District Office of the Internal Revenue Service as evidence that the Plan is qualified under section 401 of the Internal Revenue Code. In order to obtain reliance with respect to plan qualification, the Employer must apply to the appropriate key district office for a determination letter.

This Adoption Agreement may be used only in conjunction with basic Plan document number 002.

In Witness Whereof, the Employer hereby causes this Agreement to be executed on
this 16th day of March, 1998.

EMPLOYER

Accepted: ICMA RETIREMENT CORPORATION

By: *William H. Hoyer*

By: _____

Title: CITY MANAGER

Title: Corporate Secretary

Attest: *James D. Hays*

Attest: _____

ICMA RETIREMENT CORPORATION

401 DEFINED CONTRIBUTION PLAN LOAN GUIDELINES

ICMA
PERFORMANCE
PLAN

LOAN GUIDELINES

NAME OF PLAN: City of Auburn Hills - ICMA RC 401k

I. PURPOSE

The purpose of these guidelines is to establish the terms and conditions under which the Employer will grant loans to participants. This is the only official Loan Program Document of the above named Plan.

II. ELIGIBILITY

Loans are available to all active employees. Loans will not be granted to participants who have an existing loan in default.

Loans are available from the following sources: [select one or both]

- ☒ Employer Contribution Account (vested balances only)
- ☒ Participant Contribution Accounts (pre- and post-tax, if applicable, including Employee Mandatory, Employee Voluntary, Employer Rollover, and Portable Benefits Accounts, but excluding the Deductible Employee Contribution/Qualified Voluntary Employee Contribution Account)

Loans will be pro-rated among all the funds in which the participant is invested at the time the loan is made.

Loans are available for the following purposes: [select one]

- ☒ All purposes
- ☐ Loans shall only be granted in the event of a participant's hardship or for the purpose of enabling a participant to meet certain specified financial situations. The Employer shall determine, based on all relevant facts and circumstances, that the amount of the loan is not in excess of the amount required to relieve the financial need. For this purpose, financial need shall include, but not be limited to: unreimbursed medical expenses of the participant or members of the participant's immediate family, establishing or substantially rehabilitating the principal residence of the participant, or paying for a college education (including graduate studies) for the participant or his/her dependents.

III. FREQUENCY OF LOANS

[select one]

- ☐ Participants may receive one loan per calendar year. Moreover, participants may have only one outstanding loan at a time.
- ☒ Participants may receive one loan per calendar year. Moreover, no participant may have more than five (5) loans outstanding at one time.

IV. LOAN AMOUNT

The minimum loan amount is \$1,000.

The maximum amount of all loans to the participant from the Plan and all other plans sponsored by the Employer that are qualified employer plans under Section 72(p)(4) of the Code is:

the lesser of:

- (1) \$50,000, reduced by the excess (if any) of:
 - a. The highest outstanding balance of loans during the one-year period ending on the day before the date a loan is to be made, over
 - b. The outstanding balance of loans on the date the loan is to be made; or
- (2) 1/2 of the participant's vested account balance.

If a participant has any loans outstanding at the time a new loan is requested, the new loan will be limited to the maximum amount calculated above reduced by the total of the outstanding loans.

RC cannot issue a loan for more than the amount stated in the IRC. The participant's requested loan amount is subject to downward adjustment without notice due to market fluctuations between the time of application and the time the loan is made.

V. LENGTH OF LOAN

A loan must be repaid in substantially equal installments of principal and interest, at least monthly, over a period that does not exceed five (5) years.

Loans for a principal residence must be repaid in substantially equal installments of principal and interest, at least monthly, over no more than 30 - [state number of years] years (maximum 30 years).

VI. LOAN REPAYMENT PROCESS

Loans for active employees must be repaid through payroll deduction. Repayment will begin as soon as practicable on a date determined by the Employer's payroll cycle.

Loans outstanding for former employees who are allowed under Section X to maintain their loans or loans outstanding for employees on a leave of absence must be repaid on the same schedule as if payroll deductions were still being made unless they reamortize their loans and establish a new repayment schedule that provides substantially equal payments are made at least monthly over the remaining period of the loan. All repayments must be made through the Employer.

Loan payments, including loan payments from former employees, are allocated to the participant's current election of investment options on file with RC.

The participant may pay all or a portion of the principal and interest obligation early without penalty or additional fee. Extra payments are applied forward to the principal and interest breakdown on the original repayment schedule, unless the additional payment is for the balance due.

VII. LOAN INTEREST RATE

The rate of interest for loans of five (5) years or less will be based on prime plus 0.5%.

The rate of interest for loans for a principal residence will be based on the FHA/VA rate.

Interest rates are determined on the last business day of the month preceding the month the loan is disbursed. The interest rate is locked in at the time a loan is approved and remains constant throughout the life of the loan. The prime interest rate is determined on the last business day of each month using the Wall Street Journal as the source. The FHA/VA interest rate is also determined on the last business day of each month using the Telerate Information Service as the source.

Loan interest rates for new loans may fluctuate upward or downward monthly, depending on the movement of the prime and FHA/VA interest rates.

The Employer may modify the manner in which loan interest rates will be determined, but only with respect to future loans.

VIII. LOAN APPLICATION PROCEDURE

All loans must be requested in writing on an application approved by the Plan Administrator. The application must be signed by the participant. The Employer must review and approve the application.

If the participant is married at the time of application, and spousal consent is required by the plan for the loan, the participant's spouse must consent, in writing, to the loan and the consent must be witnessed by a plan representative or notary public. Such consent must be given within the ninety (90) day period before the time the loan is made. Spousal consent, if required, must accompany the application in order for the application to be considered complete.

The participant will be required to sign a promissory note evidencing the loan and a disclosure statement that includes an amortization schedule prior to receiving a loan check. Loan checks will generally be issued on the Friday following the receipt of a complete loan application. The loan check, promissory note, disclosure statement and truth-in-lending recision notice will be sent to the Employer, who will obtain the necessary signatures and deliver the check to the participant. All executed documents must be returned to the Plan Administrator within 10 calendar days from the date the check is issued.

IX. SECURITY/COLLATERAL

That portion of a participant's vested account balance that is equal to the amount of the loan is used as collateral for the loan. The collateral amount may not exceed 50 percent of the participant's vested account balance at the time the loan is taken. Only that portion of the vested account balance that corresponds to the amount of the outstanding loan balance is used as collateral.

X. ACCELERATION

[select one]

- ☐ All loans are due and payable in full upon separation from service.
- ☒ All loans are due and payable when a participant receives a distribution of all of his/her account balance after separation from service. The amount of the outstanding loan balance will be reported as a distribution in addition to the amount of cash distributed from the plan.
- ☐ All loans are due and payable when a participant receives a distribution of part of his/her account balance after separation from service. The amount of the outstanding loan balance will be reported as a distribution in addition to the amount of cash distributed from the plan.

XI. REAMORTIZATION

Any outstanding loan may be reamortized. Reamortization means changing the terms of a loan, such as length of repayment period, interest rate, and frequency of repayments. A loan may not be reamortized to extend the length of the loan repayment period to more than five (5) years from the date the loan was originally made, or in the case of a loan to secure a principal residence, beyond the number of years specified by the Employer in Section V above.

A participant must request the reamortization of a loan in writing on a reamortization application acceptable to the Plan Administrator. Spousal consent must accompany the request for reamortization when such consent is required by the plan. Upon processing the request, a new disclosure statement will be sent to the Employer for endorsement by the participant and approval by the Employer. The executed disclosure statement must be returned to the Plan Administrator within 10 calendar days from the date it is signed. The new disclosure statement is considered an amendment to the original promissory note, therefore a new promissory note will not be required.

A reamortization will not be considered a new loan for purposes of calculating the number of loans outstanding or the one loan per calendar year limit.

XII. REFINANCING EXISTING LOANS

Refinancing means concurrently repaying an existing loan and borrowing an additional amount through a new loan. If a participant has one outstanding loan, that loan may be refinanced. If a participant has more than one outstanding loan, no loans may be refinanced. A participant may not refinance a residential loan.

In order to refinance an existing loan, a participant must request a new loan in writing on an application approved by the Plan Administrator. Spousal consent must accompany the application when such consent is required by the plan. Such request must be made at a time when the participant is eligible to obtain a loan as defined by the Employer in Section III above. The amount of a new loan requested for the purpose of refinancing is subject to the loan limits specified in Section IV above.

Because a refinancing is considered a new loan, only active employees may refinance an outstanding loan.

XIII. REDUCTION OF LOAN

If the participant dies prior to full repayment of the outstanding loan(s), the outstanding loan balance will be deducted from the participant's account prior to distribution to the participant's beneficiary(ies). The unpaid loan amount is a taxable distribution and may also be subject to early withdrawal penalties. The participant's estate is responsible for taxes or penalties on the unpaid loan amount, if any. The participant's beneficiary is responsible for taxes due on the amount he/she actually receives. A Form 1099 will be issued to both the beneficiary and the participant's estate for these purposes.

XIV. LOAN DEFAULT

If a required payment of principal and interest is not made within 90 days of the date such payment is due, the loan is considered in default. If a loan is in default, the loan will be foreclosed during the calendar year in which the participant separates from service. However, the IRS "deems" a default to be a distribution in the year the default occurs. Therefore, the amount of the outstanding loan at the time of the default, including accrued interest, will be reported to the IRS as a distribution in the year the default occurs even though the loan may not be foreclosed at that time. The distribution may be subject to taxes and possibly a penalty for early withdrawal.

If a participant has separated from service and defaults on a loan, then the loan will be foreclosed during the calendar year in which the default occurs. The amount of the outstanding loan, including accrued interest, will be reported to the IRS as a distribution that may be subject to taxes and possibly a penalty for early withdrawal.

If the Employer has elected in Section X and the promissory note so provides, a loan becomes due and payable when the participant separates from service. If the terms of the loan contain this provision, the outstanding loan amount is "deemed" in default as of the date of separation from service. The amount of the outstanding loan, including accrued interest, will be reported to the IRS as a distribution that may be subject to taxes and possibly a penalty for early withdrawal.

If the Employer has so elected in Section X and the promissory note so provides, a loan becomes due and payable when the participant takes a distribution of some or all of the balance in his/her account after separation from service. If the terms of the loans contain such a provision and the outstanding loan balance is not paid prior to the distribution from the account, the outstanding loan amount will be considered in default upon issuance of the distribution check. The amount of the outstanding loan, including accrued interest, will be reported to the IRS as a distribution that may be subject to taxes and possibly a penalty for early withdrawal.

Participants who have an existing loan balance in default will not be eligible for additional loans.

XV. DE MINIMIS ACCOUNTS AND OUTSTANDING LOAN BALANCE

If a participant separates from service and the participant's total vested account balance, including the outstanding loan balance, is \$3,500 or less, the Plan will automatically foreclose the loan. The account balance remaining after the loan has been satisfied will be disbursed in accordance with De Minimis provisions of Section 10.04 of the Plan. If this occurs, the amount of the loan, including accrued interest, will be reported to the IRS as part of the distribution, which may be subject to taxes and possibly a penalty for early withdrawal.

XVI. FEES

Fees may be charged for various services associated with the application for and issuance of loans. All applicable fees will be debited from the participant's account balance. A schedule of fees applicable to this Plan is available from the Plan Administrator.

XVII. OTHER

The Employer has the right to set other terms and conditions as it deems necessary for loans from the Plan in order to comply with any legal requirements. All terms and conditions will be administered in a uniform and non-discriminatory manner.

In Witness Whereof, the Employer hereby caused these Guidelines to be executed this 6 day of March, 1998.

EMPLOYER

BY: William H. Moss

TITLE: CITY MANAGER

ATTEST: James D. Paspart

ACCEPTED: ICMA RETIREMENT CORPORATION

BY: _____

TITLE: _____

ATTEST: _____

LAST CHANCE AGREEMENT

RE: _____

Whereas, the above referenced individual was found guilty of violating the departmental drug policy on _____, and;

Whereas, the Auburn Hills Police Department will conditionally reinstate _____ to the position of _____, provided the Officer is found by medical examination to be capable of performing all the duties of the classification as determined by the Auburn Hills Police Department and subject to the following terms and conditions being met and maintained:

Now, therefore, it is agreed that:

1. Officer must sign a form releasing any and all information to management as may be requested.
2. Officer must complete a rehabilitation program as prescribed by the employee assistance program and/or a City authorized rehabilitation source.
3. Officer must pass a medical examination administered by a medical facility designated by the Chief of Police prior to being allowed to return to duty. Examination shall only screen for drug use and the physical impact of the prior drug usage.
4. Officer may be allowed to use sick time and apply for a medical leave of absence if required, while undergoing rehabilitation.
5. Once authorized to return to duty, the Officer must submit to a periodic urinalysis on a timetable as may be determined by the Chief of Police.
6. Upon clearance by the medical facility designated by the Chief of Police, _____ shall be returned to the Police Department as a _____.
7. Once returned to duty, Officer _____ will present himself to the Department's employee assistance program for evaluation, and agree to, as well as follow any and all directives given to him by the employee assistance program or rehabilitation program for a period of three (3) years.

Officer _____ agrees to sign appropriate forms releasing any and all information to the Police Department as may be requested. Failure to follow the employees assistance program directives are grounds for discharge, subject to review pursuant to the Collective Bargaining Agreement of only the discharge for failure to follow E.A.P. directives.

8. Officer _____ shall submit to controlled substance testing at the discretion of the Chief of Police. If any such test shows a positive result for the presence of a controlled substance, Officer _____ will be discharged from employment with the City of Auburn Hills, subject to review pursuant to the Collective Bargaining Agreement of only the discharge for a positive test result hereunder.

9. Officer _____ will be credited with seniority, for promotional purposes, for time separated from the Police Department between _____ and the date of return to duty. No other wage is due or owing and Officer _____ waives any claim thereto.

10. The Union shall withdraw with prejudice the Grievance # _____ and shall release and discharge Employer from any and all claims relating thereto. The Employer shall release and discharge the Union and _____ from any and all claims relating thereto. Officer _____ shall relating to Grievance # _____, including but not limited to the processing and arbitration of this grievance. Further, Officer _____ releases the City of Auburn Hills and Union from all liability and claims he may have had or now has with respect to this employment with the City of Auburn Hills whether such claims or liability arise under Federal or State statute, constitutional provisions, principles of common law, or under the Collective Bargaining Agreement of the City of Auburn Hills and the Police Officers Labor Council of Michigan.

11. All parties have had the opportunity to consult legal counsel and have carefully and completely read and understood all the terms of this settlement agreement. This settlement agreement is freely and voluntarily entered into by all parties without any duress or coercion.

12. The parties agree that this Agreement is entered into as a full and final settlement of the above referenced matter, and is to have no presidential value. Furthermore, the actions taken by the parties in settling this matter are not meant to establish a practice or right to be utilized in any other grievance, claim or litigation.

13. In the event the Officer grieves and attempts to process to arbitration any discipline imposed as a condition of this Last Chance Agreement, said grievance shall be barred by release and waiver, and an arbitration shall have no authority to modify the penalty imposed by the Police Department.

DATED THIS _____ DAY OF _____ 2____